

<i>SERFF Tracking Number:</i>	<i>AWLP-127103976</i>	<i>State:</i>	<i>California</i>
<i>Filing Company:</i>	<i>Anthem Blue Cross Life and Health Insurance Company</i>	<i>State Tracking Number:</i>	<i>PF-2011-00660</i>
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>H15G Group Health - Hospital/Surgical/Medical Sub-TOI:</i>		<i>H15G.003 Small Group Only</i>
	<i>Expense</i>		
<i>Product Name:</i>	<i>07012011 Rate Filing</i>		
<i>Project Name/Number:</i>	<i>7/1/11 Filing/</i>		

Filing at a Glance

Company: Anthem Blue Cross Life and Health Insurance Company

Product Name: 07012011 Rate Filing

SERFF Tr Num: AWLP-127103976 State: California

TOI: H15G Group Health -

SERFF Status: Assigned

State Tr Num: PF-2011-00660

Hospital/Surgical/Medical Expense

Sub-TOI: H15G.003 Small Group Only

Co Tr Num:

State Status:

Filing Type: Rate

Reviewer(s): Angela Jang, Marsha Seeley, Sai-on Sam, Ali Zaker-Shahrak, Wayne Thomas, Marina Zen, Karl Whitmarsh

Authors: Michael Cole, Wei Chen

Disposition Date:

Date Submitted: 03/31/2011

Disposition Status:

Implementation Date Requested: 07/01/2011

Implementation Date:

General Information

Project Name: 7/1/11 Filing

Project Number:

Requested Filing Mode: File & Use

Explanation for Combination/Other:

Submission Type: New Submission

Group Market Type: Employer

Filing Status Changed: 04/01/2011

State Status Changed:

Created By: Wei Chen

Corresponding Filing Tracking Number:

PPACA: Not PPACA-Related

PPACA Notes: null

Filing Description:

Filing of rates for our Small Group Solution plans with a requested effective date of 7/1/2011. The rates are being submitted as

supporting documents for this rate filing.

Status of Filing in Domicile:

Date Approved in Domicile:

Domicile Status Comments: N/A

Market Type: Group

Group Market Size: Small

Overall Rate Impact:

Deemer Date:

Submitted By: Wei Chen

SERFF Tracking Number: AWLP-127103976 State: California
Filing Company: Anthem Blue Cross Life and Health Insurance State Tracking Number: PF-2011-00660
Company
Company Tracking Number:
TOI: H15G Group Health - Hospital/Surgical/Medical Sub-TOI: H15G.003 Small Group Only
Expense
Product Name: 07012011 Rate Filing
Project Name/Number: 7/1/11 Filing/

Company and Contact

Filing Contact Information

Michael Cole, Michael.Cole@wellpoint.com
2100 Corporate Center Drive 805-713-7285 [Phone]
CANQ-02K 805-713-8263 [FAX]
Newbury Park, CA 91320

Filing Company Information

Anthem Blue Cross Life and Health Insurance CoCode: 62825 State of Domicile: California
Company
21555 Oxnard Street Group Code: 671 Company Type: Life, Accident,
Health
Woodland Hills, CA 91367 Group Name: WellPoint Inc Group State ID Number:
(916) 447-9280 ext. [Phone] FEIN Number: 95-4331852

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Anthem Blue Cross Life and Health Insurance Company	\$0.00		

SERFF Tracking Number: AWLP-127103976 State: California
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Expense
Product Name: 07012011 Rate Filing
Project Name/Number: 7/1/11 Filing/

Correspondence Summary

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Note regarding Rate Review Detail	Note To Reviewer	Wei Chen	03/30/2011	03/31/2011

SERFF Tracking Number: AWLP-127103976 State: California
Filing Company: Anthem Blue Cross Life and Health Insurance State Tracking Number: PF-2011-00660
Company
Company Tracking Number:
TOI: H15G Group Health - Hospital/Surgical/Medical Sub-TOI: H15G.003 Small Group Only
Expense
Product Name: 07012011 Rate Filing
Project Name/Number: 7/1/11 Filing/

Note To Reviewer

Created By:

Wei Chen on 03/30/2011 12:23 PM

Last Edited By:

Wei Chen

Submitted On:

03/31/2011 07:45 PM

Subject:

Note regarding Rate Review Detail

Comments:

Section: "Prior Rate"

Due to the timing of our quarterly rate development, which is usually 4 months in advance of the proposed premium effective date, premium/claims data for the requested one year period that ends with the new rate effective date is not available. Instead, data have been provided for a different experience period which coincides with the 12-month experience period considered in our rate development. As a consequence, both the total earned premium and premium PMPM's provided reflect a mix of two sets of prior annual rates over this particular time period (the exact mix depends on the groups' renewal date) - one set corresponds to the annual rates immediately prior to the currently proposed rates and another set matches rates that are 2 group-renewal cycles older than the currently proposed rates. If the intention is to compare currently proposed premium against the prior annual rate for an estimate of renewal increase effective 7/1/2011, please refer to the Third Party Actuarial Certification attached as part of this filing.

SERFF Tracking Number:	AWLP-127103976	State:	California
Filing Company:	Anthem Blue Cross Life and Health Insurance Company	State Tracking Number:	PF-2011-00660
Company Tracking Number:			
TOI:	H15G Group Health - Hospital/Surgical/Medical Expense	Sub-TOI:	H15G.003 Small Group Only
Product Name:	07012011 Rate Filing		
Project Name/Number:	7/1/11 Filing/		

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

%

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
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Anthem Blue Cross Life and Health Insurance Company	Increase	%	%				%	%
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Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:		17,505						
Policy Holders:		9,906						

SERFF Tracking Number:	AWLP-127103976	State:	California
Filing Company:	Anthem Blue Cross Life and Health Insurance Company	State Tracking Number:	PF-2011-00660
Company Tracking Number:			
TOI:	H15G Group Health - Hospital/Surgical/Medical Expense	Sub-TOI:	H15G.003 Small Group Only
Product Name:	07012011 Rate Filing		
Project Name/Number:	7/1/11 Filing/		

Rate Review Details

COMPANY:

Company Name:	Anthem Blue Cross Life and Health Insurance Company
HHS Issuer Id:	48962
Product Names:	Solution 2500 PPO Solution 3500 PPO Solution 5000 PPO

Trend Factors:

FORMS:

New Policy Forms:

Affected Forms:

Other Affected Forms: Z270, Z271, Z272, 02FD, 02FE, 02FF, 06Z7, 070R, 06Z8, 070S, 06Z9, 070T

REQUESTED RATE CHANGE

INFORMATION:

Change Period:	Quarterly
Member Months:	124,081
Benefit Change:	Increase
Percent Change Requested:	Min: 0.03 Max: 0.07 Avg: 0.06

PRIOR RATE:

Total Earned Premium:	31,104,997.00
Total Incurred Claims:	23,074,364.00
Annual \$:	Min: 233.68 Max: 257.21 Avg: 250.93

REQUESTED RATE:

Projected Earned Premium:	66,210,564.00
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<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>H15G Group Health - Hospital/Surgical/Medical Expense</i>	<i>Sub-TOI:</i>	<i>H15G.003 Small Group Only</i>
<i>Product Name:</i>	<i>07012011 Rate Filing</i>		
<i>Project Name/Number:</i>	<i>7/1/11 Filing/</i>		
Projected Incurred Claims:	52,952,877.00		
Annual \$:	Min: 290.89 Max: 324.12 Avg: 315.20		

SERFF Tracking Number: AWLP-127103976 State: California

Filing Company: Anthem Blue Cross Life and Health Insurance State Tracking Number: PF-2011-00660

Company Tracking Number:

TOI: H15G Group Health - Hospital/Surgical/Medical Sub-TOI: H15G.003 Small Group Only

Expense

Product Name: 07012011 Rate Filing

Project Name/Number: 7/1/11 Filing/

Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action: Action:*	Rate Action Information:	Attachments
	CA SG 07-01-2011 Rate Detail		New		0711sgrt_rafs 1.0.pdf

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 2500 PPO (Z270)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$295	\$233	\$197	\$214	\$233	\$192	\$177	\$186	\$180
	30 - 39	395	307	259	285	316	260	233	249	243
	40 - 49	575	449	375	411	457	375	342	361	350
	50 - 54	689	537	454	493	548	447	410	434	417
	55 - 59	881	683	577	631	700	574	520	554	538
	60 - 64	1,101	855	719	793	877	714	655	692	670
	65 + PRIMARY	1,430	1,113	937	1,027	1,141	931	855	898	874
	65 + SECONDARY	814	633	531	589	647	530	485	511	498
EMPLOYEE AND SPOUSE	UNDER 30	\$608	\$475	\$399	\$440	\$486	\$399	\$362	\$381	\$372
	30 - 39	816	637	532	590	651	532	489	516	499
	40 - 49	1,174	916	769	846	938	766	699	737	717
	50 - 54	1,430	1,113	937	1,027	1,141	931	855	898	874
	55 - 59	1,816	1,416	1,191	1,311	1,448	1,183	1,082	1,140	1,110
	60 - 64	2,218	1,727	1,457	1,596	1,767	1,446	1,324	1,393	1,356
	65 + PRIMARY	2,733	2,125	1,792	1,969	2,177	1,777	1,629	1,715	1,666
	65 + SECONDARY	1,625	1,264	1,068	1,173	1,300	1,059	968	1,019	993
EMPLOYEE AND CHILD(REN)	UNDER 30	\$560	\$438	\$371	\$404	\$450	\$363	\$338	\$354	\$342
	30 - 39	706	549	467	507	562	458	421	446	428
	40 - 49	947	733	621	679	752	613	561	594	574
	50 - 54	1,038	810	678	750	827	673	615	654	631
	55 - 59	1,188	922	777	855	945	771	705	746	723
	60 - 64	1,380	1,072	905	995	1,100	899	820	868	844
	65 + PRIMARY	1,733	1,350	1,135	1,249	1,381	1,130	1,035	1,087	1,054
	65 + SECONDARY	1,189	927	782	857	948	773	710	749	725
FAMILY	UNDER 30	\$862	\$672	\$563	\$620	\$686	\$560	\$513	\$541	\$528
	30 - 39	1,118	867	731	800	886	727	663	700	682
	40 - 49	1,480	1,152	972	1,064	1,180	963	881	927	905
	50 - 54	1,548	1,205	1,014	1,115	1,233	1,008	922	973	947
	55 - 59	1,963	1,528	1,286	1,415	1,564	1,275	1,167	1,232	1,198
	60 - 64	2,318	1,803	1,516	1,667	1,847	1,510	1,384	1,454	1,415
	65 + PRIMARY	2,934	2,283	1,922	2,114	2,338	1,909	1,749	1,845	1,790
	65 + SECONDARY	1,729	1,343	1,133	1,247	1,379	1,130	1,034	1,085	1,053

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 3500 PPO (Z271)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$249	\$190	\$162	\$181	\$201	\$160	\$149	\$158	\$150
	30 - 39	335	261	218	242	267	216	201	211	205
	40 - 49	484	375	317	349	386	315	288	306	298
	50 - 54	581	457	382	421	465	377	349	365	359
	55 - 59	744	576	487	536	592	480	444	466	453
	60 - 64	930	722	611	671	740	605	553	583	569
	65 + PRIMARY	1,209	944	794	868	965	786	721	756	736
	65 + SECONDARY	689	536	449	497	549	447	408	432	420
EMPLOYEE AND SPOUSE	UNDER 30	\$515	\$403	\$339	\$371	\$413	\$334	\$309	\$324	\$315
	30 - 39	691	539	454	498	551	448	414	434	424
	40 - 49	994	775	650	714	795	645	592	623	608
	50 - 54	1,209	944	794	868	965	786	721	756	736
	55 - 59	1,539	1,197	1,005	1,105	1,223	998	918	964	936
	60 - 64	1,881	1,464	1,232	1,349	1,496	1,219	1,119	1,177	1,145
	65 + PRIMARY	2,311	1,801	1,514	1,663	1,841	1,498	1,377	1,450	1,409
	65 + SECONDARY	1,374	1,069	904	986	1,094	894	821	863	839
EMPLOYEE AND CHILD(REN)	UNDER 30	\$473	\$372	\$311	\$343	\$381	\$307	\$282	\$297	\$290
	30 - 39	596	464	393	431	474	386	358	374	365
	40 - 49	799	622	522	573	635	518	477	500	486
	50 - 54	880	684	578	633	701	572	523	547	532
	55 - 59	1,001	782	656	720	801	650	596	628	614
	60 - 64	1,169	907	767	840	929	756	697	733	712
	65 + PRIMARY	1,469	1,141	962	1,054	1,169	951	876	918	894
	65 + SECONDARY	1,002	783	660	722	802	653	601	631	615
FAMILY	UNDER 30	\$727	\$568	\$478	\$526	\$582	\$473	\$434	\$459	\$443
	30 - 39	944	735	620	679	752	615	564	592	575
	40 - 49	1,253	973	822	900	999	813	747	783	762
	50 - 54	1,309	1,022	858	942	1,046	849	781	821	798
	55 - 59	1,659	1,293	1,089	1,192	1,322	1,078	991	1,042	1,013
	60 - 64	1,960	1,525	1,284	1,408	1,563	1,272	1,170	1,231	1,191
	65 + PRIMARY	2,482	1,930	1,624	1,787	1,978	1,611	1,479	1,557	1,509
	65 + SECONDARY	1,462	1,137	961	1,053	1,167	950	873	918	888

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*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 5000 PPO (Z272)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$213	\$166	\$141	\$158	\$173	\$138	\$127	\$136	\$130
	30 - 39	290	226	192	208	233	188	173	184	177
	40 - 49	418	325	274	304	338	271	252	264	258
	50 - 54	502	396	332	365	403	325	302	316	309
	55 - 59	644	501	422	465	512	416	387	405	391
	60 - 64	803	627	528	581	644	521	480	506	492
	65 + PRIMARY	1,041	819	689	755	835	679	625	660	641
	65 + SECONDARY	597	464	390	430	476	386	356	372	365
EMPLOYEE AND SPOUSE	UNDER 30	\$445	\$345	\$297	\$321	\$359	\$287	\$267	\$279	\$270
	30 - 39	599	466	392	431	478	388	361	373	366
	40 - 49	858	673	564	620	689	556	512	542	528
	50 - 54	1,041	819	689	755	835	679	625	660	641
	55 - 59	1,329	1,038	872	961	1,062	862	794	836	815
	60 - 64	1,620	1,268	1,068	1,171	1,298	1,052	970	1,022	994
	65 + PRIMARY	1,993	1,563	1,311	1,446	1,595	1,293	1,193	1,260	1,223
	65 + SECONDARY	1,187	928	786	859	952	769	711	750	728
EMPLOYEE AND CHILD(REN)	UNDER 30	\$408	\$322	\$271	\$298	\$329	\$267	\$246	\$260	\$253
	30 - 39	516	403	340	375	410	332	310	324	317
	40 - 49	690	538	453	500	550	448	414	437	422
	50 - 54	761	592	500	552	607	493	453	476	464
	55 - 59	865	678	572	627	695	561	518	546	530
	60 - 64	1,007	785	663	730	809	652	605	637	619
	65 + PRIMARY	1,267	991	832	915	1,011	822	760	798	776
	65 + SECONDARY	865	679	575	629	696	565	520	548	534
FAMILY	UNDER 30	\$626	\$492	\$415	\$456	\$504	\$405	\$375	\$397	\$385
	30 - 39	815	638	539	589	653	531	487	514	499
	40 - 49	1,079	844	711	783	866	701	645	684	663
	50 - 54	1,132	887	745	818	904	733	678	713	694
	55 - 59	1,433	1,122	943	1,036	1,146	931	858	902	880
	60 - 64	1,692	1,324	1,114	1,222	1,352	1,099	1,011	1,069	1,035
	65 + PRIMARY	2,143	1,674	1,411	1,551	1,713	1,391	1,280	1,349	1,313
	65 + SECONDARY	1,262	988	831	914	1,009	820	756	797	770

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ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 2500 PPO (06Z7)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$295	\$233	\$197	\$214	\$233	\$192	\$177	\$186	\$180
	30 - 39	395	307	259	285	316	260	233	249	243
	40 - 49	575	449	375	411	457	375	342	361	350
	50 - 54	689	537	454	493	548	447	410	434	417
	55 - 59	881	683	577	631	700	574	520	554	538
	60 - 64	1,101	855	719	793	877	714	655	692	670
	65 + PRIMARY	1,430	1,113	937	1,027	1,141	931	855	898	874
	65 + SECONDARY	814	633	531	589	647	530	485	511	498
EMPLOYEE AND SPOUSE	UNDER 30	\$608	\$475	\$399	\$440	\$486	\$399	\$362	\$381	\$372
	30 - 39	816	637	532	590	651	532	489	516	499
	40 - 49	1,174	916	769	846	938	766	699	737	717
	50 - 54	1,430	1,113	937	1,027	1,141	931	855	898	874
	55 - 59	1,816	1,416	1,191	1,311	1,448	1,183	1,082	1,140	1,110
	60 - 64	2,218	1,727	1,457	1,596	1,767	1,446	1,324	1,393	1,356
	65 + PRIMARY	2,733	2,125	1,792	1,969	2,177	1,777	1,629	1,715	1,666
	65 + SECONDARY	1,625	1,264	1,068	1,173	1,300	1,059	968	1,019	993
EMPLOYEE AND CHILD(REN)	UNDER 30	\$560	\$438	\$371	\$404	\$450	\$363	\$338	\$354	\$342
	30 - 39	706	549	467	507	562	458	421	446	428
	40 - 49	947	733	621	679	752	613	561	594	574
	50 - 54	1,038	810	678	750	827	673	615	654	631
	55 - 59	1,188	922	777	855	945	771	705	746	723
	60 - 64	1,380	1,072	905	995	1,100	899	820	868	844
	65 + PRIMARY	1,733	1,350	1,135	1,249	1,381	1,130	1,035	1,087	1,054
	65 + SECONDARY	1,189	927	782	857	948	773	710	749	725
FAMILY	UNDER 30	\$862	\$672	\$563	\$620	\$686	\$560	\$513	\$541	\$528
	30 - 39	1,118	867	731	800	886	727	663	700	682
	40 - 49	1,480	1,152	972	1,064	1,180	963	881	927	905
	50 - 54	1,548	1,205	1,014	1,115	1,233	1,008	922	973	947
	55 - 59	1,963	1,528	1,286	1,415	1,564	1,275	1,167	1,232	1,198
	60 - 64	2,318	1,803	1,516	1,667	1,847	1,510	1,384	1,454	1,415
	65 + PRIMARY	2,934	2,283	1,922	2,114	2,338	1,909	1,749	1,845	1,790
	65 + SECONDARY	1,729	1,343	1,133	1,247	1,379	1,130	1,034	1,085	1,053

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

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ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 3500 PPO (06Z8)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$249	\$190	\$162	\$181	\$201	\$160	\$149	\$158	\$150
	30 - 39	335	261	218	242	267	216	201	211	205
	40 - 49	484	375	317	349	386	315	288	306	298
	50 - 54	581	457	382	421	465	377	349	365	359
	55 - 59	744	576	487	536	592	480	444	466	453
	60 - 64	930	722	611	671	740	605	553	583	569
	65 + PRIMARY	1,209	944	794	868	965	786	721	756	736
	65 + SECONDARY	689	536	449	497	549	447	408	432	420
EMPLOYEE AND SPOUSE	UNDER 30	\$515	\$403	\$339	\$371	\$413	\$334	\$309	\$324	\$315
	30 - 39	691	539	454	498	551	448	414	434	424
	40 - 49	994	775	650	714	795	645	592	623	608
	50 - 54	1,209	944	794	868	965	786	721	756	736
	55 - 59	1,539	1,197	1,005	1,105	1,223	998	918	964	936
	60 - 64	1,881	1,464	1,232	1,349	1,496	1,219	1,119	1,177	1,145
	65 + PRIMARY	2,311	1,801	1,514	1,663	1,841	1,498	1,377	1,450	1,409
	65 + SECONDARY	1,374	1,069	904	986	1,094	894	821	863	839
EMPLOYEE AND CHILD(REN)	UNDER 30	\$473	\$372	\$311	\$343	\$381	\$307	\$282	\$297	\$290
	30 - 39	596	464	393	431	474	386	358	374	365
	40 - 49	799	622	522	573	635	518	477	500	486
	50 - 54	880	684	578	633	701	572	523	547	532
	55 - 59	1,001	782	656	720	801	650	596	628	614
	60 - 64	1,169	907	767	840	929	756	697	733	712
	65 + PRIMARY	1,469	1,141	962	1,054	1,169	951	876	918	894
	65 + SECONDARY	1,002	783	660	722	802	653	601	631	615
FAMILY	UNDER 30	\$727	\$568	\$478	\$526	\$582	\$473	\$434	\$459	\$443
	30 - 39	944	735	620	679	752	615	564	592	575
	40 - 49	1,253	973	822	900	999	813	747	783	762
	50 - 54	1,309	1,022	858	942	1,046	849	781	821	798
	55 - 59	1,659	1,293	1,089	1,192	1,322	1,078	991	1,042	1,013
	60 - 64	1,960	1,525	1,284	1,408	1,563	1,272	1,170	1,231	1,191
	65 + PRIMARY	2,482	1,930	1,624	1,787	1,978	1,611	1,479	1,557	1,509
	65 + SECONDARY	1,462	1,137	961	1,053	1,167	950	873	918	888

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 5000 PPO (06Z9)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$213	\$166	\$141	\$158	\$173	\$138	\$127	\$136	\$130
	30 - 39	290	226	192	208	233	188	173	184	177
	40 - 49	418	325	274	304	338	271	252	264	258
	50 - 54	502	396	332	365	403	325	302	316	309
	55 - 59	644	501	422	465	512	416	387	405	391
	60 - 64	803	627	528	581	644	521	480	506	492
	65 + PRIMARY	1,041	819	689	755	835	679	625	660	641
	65 + SECONDARY	597	464	390	430	476	386	356	372	365
EMPLOYEE AND SPOUSE	UNDER 30	\$445	\$345	\$297	\$321	\$359	\$287	\$267	\$279	\$270
	30 - 39	599	466	392	431	478	388	361	373	366
	40 - 49	858	673	564	620	689	556	512	542	528
	50 - 54	1,041	819	689	755	835	679	625	660	641
	55 - 59	1,329	1,038	872	961	1,062	862	794	836	815
	60 - 64	1,620	1,268	1,068	1,171	1,298	1,052	970	1,022	994
	65 + PRIMARY	1,993	1,563	1,311	1,446	1,595	1,293	1,193	1,260	1,223
	65 + SECONDARY	1,187	928	786	859	952	769	711	750	728
EMPLOYEE AND CHILD(REN)	UNDER 30	\$408	\$322	\$271	\$298	\$329	\$267	\$246	\$260	\$253
	30 - 39	516	403	340	375	410	332	310	324	317
	40 - 49	690	538	453	500	550	448	414	437	422
	50 - 54	761	592	500	552	607	493	453	476	464
	55 - 59	865	678	572	627	695	561	518	546	530
	60 - 64	1,007	785	663	730	809	652	605	637	619
	65 + PRIMARY	1,267	991	832	915	1,011	822	760	798	776
	65 + SECONDARY	865	679	575	629	696	565	520	548	534
FAMILY	UNDER 30	\$626	\$492	\$415	\$456	\$504	\$405	\$375	\$397	\$385
	30 - 39	815	638	539	589	653	531	487	514	499
	40 - 49	1,079	844	711	783	866	701	645	684	663
	50 - 54	1,132	887	745	818	904	733	678	713	694
	55 - 59	1,433	1,122	943	1,036	1,146	931	858	902	880
	60 - 64	1,692	1,324	1,114	1,222	1,352	1,099	1,011	1,069	1,035
	65 + PRIMARY	2,143	1,674	1,411	1,551	1,713	1,391	1,280	1,349	1,313
	65 + SECONDARY	1,262	988	831	914	1,009	820	756	797	770

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES

RATES EFFECTIVE 7/01/11

SOLUTION 2500 PPO MHP (02FD)

1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$296	\$234	\$197	\$215	\$234	\$193	\$178	\$187	\$181
	30 - 39	398	308	260	286	317	261	234	250	244
	40 - 49	578	450	376	412	460	377	343	363	351
	50 - 54	691	539	456	496	550	448	411	435	418
	55 - 59	884	685	579	633	702	576	523	556	539
	60 - 64	1,104	857	721	796	881	717	657	696	673
	65 + PRIMARY	1,435	1,117	941	1,031	1,145	936	857	901	877
	65 + SECONDARY	819	636	533	591	651	532	487	514	500
EMPLOYEE AND SPOUSE	UNDER 30	\$611	\$476	\$401	\$441	\$488	\$401	\$365	\$383	\$373
	30 - 39	820	639	534	592	653	534	493	518	501
	40 - 49	1,179	920	773	850	942	768	701	740	719
	50 - 54	1,435	1,117	941	1,031	1,145	936	857	901	877
	55 - 59	1,823	1,420	1,195	1,317	1,453	1,189	1,086	1,144	1,114
	60 - 64	2,227	1,732	1,463	1,605	1,773	1,452	1,328	1,398	1,361
	65 + PRIMARY	2,743	2,134	1,799	1,976	2,186	1,784	1,635	1,721	1,672
	65 + SECONDARY	1,632	1,269	1,072	1,178	1,305	1,066	973	1,023	997
EMPLOYEE AND CHILD(REN)	UNDER 30	\$561	\$440	\$372	\$407	\$453	\$365	\$339	\$355	\$343
	30 - 39	709	551	468	508	564	461	422	447	430
	40 - 49	951	736	624	684	754	616	563	596	576
	50 - 54	1,041	812	682	753	830	677	618	656	633
	55 - 59	1,193	926	779	858	948	776	707	748	727
	60 - 64	1,386	1,077	908	1,000	1,104	903	823	872	847
	65 + PRIMARY	1,741	1,355	1,140	1,255	1,386	1,134	1,038	1,092	1,058
	65 + SECONDARY	1,194	930	784	860	951	778	716	751	729
FAMILY	UNDER 30	\$866	\$674	\$565	\$622	\$688	\$561	\$515	\$544	\$530
	30 - 39	1,122	871	733	804	889	729	666	702	684
	40 - 49	1,484	1,158	976	1,068	1,184	967	884	930	908
	50 - 54	1,554	1,209	1,018	1,119	1,238	1,012	926	976	950
	55 - 59	1,971	1,533	1,290	1,421	1,571	1,280	1,172	1,236	1,203
	60 - 64	2,326	1,809	1,522	1,675	1,854	1,515	1,389	1,459	1,421
	65 + PRIMARY	2,945	2,291	1,928	2,123	2,347	1,917	1,758	1,852	1,798
	65 + SECONDARY	1,734	1,349	1,137	1,252	1,384	1,133	1,037	1,089	1,057

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES

RATES EFFECTIVE 7/01/11

SOLUTION 3500 PPO MHP (02FE)

1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$250	\$190	\$162	\$182	\$203	\$160	\$150	\$158	\$151
	30 - 39	336	263	221	243	268	217	203	212	206
	40 - 49	485	376	318	351	390	316	289	307	299
	50 - 54	584	459	384	423	466	378	350	366	360
	55 - 59	748	579	489	539	594	483	446	467	455
	60 - 64	935	726	613	673	742	608	557	585	571
	65 + PRIMARY	1,213	948	797	872	970	790	725	759	738
	65 + SECONDARY	692	538	454	498	551	449	410	433	422
EMPLOYEE AND SPOUSE	UNDER 30	\$517	\$404	\$340	\$372	\$415	\$335	\$310	\$327	\$316
	30 - 39	695	541	456	499	553	452	416	435	425
	40 - 49	999	777	652	717	798	647	594	626	610
	50 - 54	1,213	948	797	872	970	790	725	759	738
	55 - 59	1,545	1,202	1,008	1,108	1,230	1,002	921	968	940
	60 - 64	1,887	1,469	1,236	1,356	1,502	1,223	1,125	1,181	1,149
	65 + PRIMARY	2,322	1,807	1,520	1,670	1,849	1,504	1,384	1,455	1,415
	65 + SECONDARY	1,380	1,075	907	990	1,099	897	825	865	842
EMPLOYEE AND CHILD(REN)	UNDER 30	\$475	\$375	\$312	\$344	\$382	\$308	\$284	\$298	\$291
	30 - 39	599	466	395	433	476	387	359	376	366
	40 - 49	802	624	524	576	638	520	479	502	488
	50 - 54	883	687	580	635	705	575	525	549	534
	55 - 59	1,005	785	659	723	804	652	600	630	616
	60 - 64	1,173	911	770	843	932	759	701	736	715
	65 + PRIMARY	1,474	1,147	965	1,058	1,173	956	879	921	897
	65 + SECONDARY	1,006	786	663	726	805	655	603	634	617
FAMILY	UNDER 30	\$729	\$570	\$480	\$528	\$584	\$474	\$436	\$461	\$446
	30 - 39	948	737	622	681	754	617	566	594	578
	40 - 49	1,260	977	826	904	1,002	816	749	786	765
	50 - 54	1,314	1,027	861	946	1,049	853	783	825	801
	55 - 59	1,665	1,297	1,093	1,199	1,328	1,084	994	1,045	1,017
	60 - 64	1,967	1,530	1,289	1,414	1,570	1,276	1,174	1,235	1,196
	65 + PRIMARY	2,492	1,937	1,633	1,794	1,986	1,616	1,485	1,562	1,514
	65 + SECONDARY	1,468	1,141	964	1,056	1,171	954	876	921	891

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES

RATES EFFECTIVE 7/01/11

SOLUTION 5000 PPO MHP (02FF)

1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$214	\$167	\$142	\$158	\$174	\$139	\$127	\$138	\$130
	30 - 39	291	227	192	209	234	188	174	184	178
	40 - 49	419	327	275	305	339	272	252	265	260
	50 - 54	505	397	333	366	405	327	303	317	310
	55 - 59	648	504	423	468	514	418	388	408	392
	60 - 64	806	629	530	583	647	522	482	508	494
	65 + PRIMARY	1,046	821	691	757	839	682	627	662	644
	65 + SECONDARY	599	466	391	431	478	387	358	374	366
EMPLOYEE AND SPOUSE	UNDER 30	\$446	\$347	\$298	\$322	\$361	\$288	\$268	\$280	\$271
	30 - 39	602	468	393	433	480	389	362	376	367
	40 - 49	861	677	567	622	691	558	514	544	530
	50 - 54	1,046	821	691	757	839	682	627	662	644
	55 - 59	1,334	1,042	876	964	1,066	865	797	840	817
	60 - 64	1,626	1,272	1,073	1,176	1,302	1,055	973	1,025	997
	65 + PRIMARY	2,001	1,568	1,316	1,452	1,603	1,298	1,197	1,265	1,227
	65 + SECONDARY	1,191	932	788	862	955	773	714	752	731
EMPLOYEE AND CHILD(REN)	UNDER 30	\$409	\$324	\$272	\$299	\$330	\$267	\$247	\$261	\$254
	30 - 39	518	404	341	376	413	333	311	325	318
	40 - 49	693	540	455	502	552	450	415	439	424
	50 - 54	763	595	501	554	609	495	455	478	466
	55 - 59	867	680	574	629	698	564	520	548	534
	60 - 64	1,011	788	665	732	812	654	607	640	621
	65 + PRIMARY	1,272	994	836	918	1,016	825	762	800	781
	65 + SECONDARY	867	681	578	631	699	568	522	550	536
FAMILY	UNDER 30	\$630	\$494	\$416	\$458	\$506	\$407	\$376	\$398	\$387
	30 - 39	818	640	541	591	656	534	489	515	500
	40 - 49	1,085	847	713	786	870	705	648	688	666
	50 - 54	1,135	890	748	821	908	736	680	717	696
	55 - 59	1,438	1,126	947	1,040	1,151	935	862	905	884
	60 - 64	1,697	1,331	1,120	1,228	1,359	1,103	1,016	1,072	1,038
	65 + PRIMARY	2,153	1,680	1,417	1,557	1,719	1,396	1,286	1,353	1,317
	65 + SECONDARY	1,267	992	834	917	1,012	823	759	800	774

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES

RATES EFFECTIVE 7/01/11

SOLUTION 2500 PPO MHP (070R)

1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$296	\$234	\$197	\$215	\$234	\$193	\$178	\$187	\$181
	30 - 39	398	308	260	286	317	261	234	250	244
	40 - 49	578	450	376	412	460	377	343	363	351
	50 - 54	691	539	456	496	550	448	411	435	418
	55 - 59	884	685	579	633	702	576	523	556	539
	60 - 64	1,104	857	721	796	881	717	657	696	673
	65 + PRIMARY	1,435	1,117	941	1,031	1,145	936	857	901	877
	65 + SECONDARY	819	636	533	591	651	532	487	514	500
EMPLOYEE AND SPOUSE	UNDER 30	\$611	\$476	\$401	\$441	\$488	\$401	\$365	\$383	\$373
	30 - 39	820	639	534	592	653	534	493	518	501
	40 - 49	1,179	920	773	850	942	768	701	740	719
	50 - 54	1,435	1,117	941	1,031	1,145	936	857	901	877
	55 - 59	1,823	1,420	1,195	1,317	1,453	1,189	1,086	1,144	1,114
	60 - 64	2,227	1,732	1,463	1,605	1,773	1,452	1,328	1,398	1,361
	65 + PRIMARY	2,743	2,134	1,799	1,976	2,186	1,784	1,635	1,721	1,672
	65 + SECONDARY	1,632	1,269	1,072	1,178	1,305	1,066	973	1,023	997
EMPLOYEE AND CHILD(REN)	UNDER 30	\$561	\$440	\$372	\$407	\$453	\$365	\$339	\$355	\$343
	30 - 39	709	551	468	508	564	461	422	447	430
	40 - 49	951	736	624	684	754	616	563	596	576
	50 - 54	1,041	812	682	753	830	677	618	656	633
	55 - 59	1,193	926	779	858	948	776	707	748	727
	60 - 64	1,386	1,077	908	1,000	1,104	903	823	872	847
	65 + PRIMARY	1,741	1,355	1,140	1,255	1,386	1,134	1,038	1,092	1,058
	65 + SECONDARY	1,194	930	784	860	951	778	716	751	729
FAMILY	UNDER 30	\$866	\$674	\$565	\$622	\$688	\$561	\$515	\$544	\$530
	30 - 39	1,122	871	733	804	889	729	666	702	684
	40 - 49	1,484	1,158	976	1,068	1,184	967	884	930	908
	50 - 54	1,554	1,209	1,018	1,119	1,238	1,012	926	976	950
	55 - 59	1,971	1,533	1,290	1,421	1,571	1,280	1,172	1,236	1,203
	60 - 64	2,326	1,809	1,522	1,675	1,854	1,515	1,389	1,459	1,421
	65 + PRIMARY	2,945	2,291	1,928	2,123	2,347	1,917	1,758	1,852	1,798
	65 + SECONDARY	1,734	1,349	1,137	1,252	1,384	1,133	1,037	1,089	1,057

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES

RATES EFFECTIVE 7/01/11

SOLUTION 3500 PPO MHP (070S)

1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$250	\$190	\$162	\$182	\$203	\$160	\$150	\$158	\$151
	30 - 39	336	263	221	243	268	217	203	212	206
	40 - 49	485	376	318	351	390	316	289	307	299
	50 - 54	584	459	384	423	466	378	350	366	360
	55 - 59	748	579	489	539	594	483	446	467	455
	60 - 64	935	726	613	673	742	608	557	585	571
	65 + PRIMARY	1,213	948	797	872	970	790	725	759	738
	65 + SECONDARY	692	538	454	498	551	449	410	433	422
EMPLOYEE AND SPOUSE	UNDER 30	\$517	\$404	\$340	\$372	\$415	\$335	\$310	\$327	\$316
	30 - 39	695	541	456	499	553	452	416	435	425
	40 - 49	999	777	652	717	798	647	594	626	610
	50 - 54	1,213	948	797	872	970	790	725	759	738
	55 - 59	1,545	1,202	1,008	1,108	1,230	1,002	921	968	940
	60 - 64	1,887	1,469	1,236	1,356	1,502	1,223	1,125	1,181	1,149
	65 + PRIMARY	2,322	1,807	1,520	1,670	1,849	1,504	1,384	1,455	1,415
	65 + SECONDARY	1,380	1,075	907	990	1,099	897	825	865	842
EMPLOYEE AND CHILD(REN)	UNDER 30	\$475	\$375	\$312	\$344	\$382	\$308	\$284	\$298	\$291
	30 - 39	599	466	395	433	476	387	359	376	366
	40 - 49	802	624	524	576	638	520	479	502	488
	50 - 54	883	687	580	635	705	575	525	549	534
	55 - 59	1,005	785	659	723	804	652	600	630	616
	60 - 64	1,173	911	770	843	932	759	701	736	715
	65 + PRIMARY	1,474	1,147	965	1,058	1,173	956	879	921	897
	65 + SECONDARY	1,006	786	663	726	805	655	603	634	617
FAMILY	UNDER 30	\$729	\$570	\$480	\$528	\$584	\$474	\$436	\$461	\$446
	30 - 39	948	737	622	681	754	617	566	594	578
	40 - 49	1,260	977	826	904	1,002	816	749	786	765
	50 - 54	1,314	1,027	861	946	1,049	853	783	825	801
	55 - 59	1,665	1,297	1,093	1,199	1,328	1,084	994	1,045	1,017
	60 - 64	1,967	1,530	1,289	1,414	1,570	1,276	1,174	1,235	1,196
	65 + PRIMARY	2,492	1,937	1,633	1,794	1,986	1,616	1,485	1,562	1,514
	65 + SECONDARY	1,468	1,141	964	1,056	1,171	954	876	921	891

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 5000 PPO MHP (070T)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$214	\$167	\$142	\$158	\$174	\$139	\$127	\$138	\$130
	30 - 39	291	227	192	209	234	188	174	184	178
	40 - 49	419	327	275	305	339	272	252	265	260
	50 - 54	505	397	333	366	405	327	303	317	310
	55 - 59	648	504	423	468	514	418	388	408	392
	60 - 64	806	629	530	583	647	522	482	508	494
	65 + PRIMARY	1,046	821	691	757	839	682	627	662	644
	65 + SECONDARY	599	466	391	431	478	387	358	374	366
EMPLOYEE AND SPOUSE	UNDER 30	\$446	\$347	\$298	\$322	\$361	\$288	\$268	\$280	\$271
	30 - 39	602	468	393	433	480	389	362	376	367
	40 - 49	861	677	567	622	691	558	514	544	530
	50 - 54	1,046	821	691	757	839	682	627	662	644
	55 - 59	1,334	1,042	876	964	1,066	865	797	840	817
	60 - 64	1,626	1,272	1,073	1,176	1,302	1,055	973	1,025	997
	65 + PRIMARY	2,001	1,568	1,316	1,452	1,603	1,298	1,197	1,265	1,227
	65 + SECONDARY	1,191	932	788	862	955	773	714	752	731
EMPLOYEE AND CHILD(REN)	UNDER 30	\$409	\$324	\$272	\$299	\$330	\$267	\$247	\$261	\$254
	30 - 39	518	404	341	376	413	333	311	325	318
	40 - 49	693	540	455	502	552	450	415	439	424
	50 - 54	763	595	501	554	609	495	455	478	466
	55 - 59	867	680	574	629	698	564	520	548	534
	60 - 64	1,011	788	665	732	812	654	607	640	621
	65 + PRIMARY	1,272	994	836	918	1,016	825	762	800	781
	65 + SECONDARY	867	681	578	631	699	568	522	550	536
FAMILY	UNDER 30	\$630	\$494	\$416	\$458	\$506	\$407	\$376	\$398	\$387
	30 - 39	818	640	541	591	656	534	489	515	500
	40 - 49	1,085	847	713	786	870	705	648	688	666
	50 - 54	1,135	890	748	821	908	736	680	717	696
	55 - 59	1,438	1,126	947	1,040	1,151	935	862	905	884
	60 - 64	1,697	1,331	1,120	1,228	1,359	1,103	1,016	1,072	1,038
	65 + PRIMARY	2,153	1,680	1,417	1,557	1,719	1,396	1,286	1,353	1,317
	65 + SECONDARY	1,267	992	834	917	1,012	823	759	800	774

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

SERFF Tracking Number: AWLP-127103976 State: California
 Filing Company: Anthem Blue Cross Life and Health Insurance Company State Tracking Number: PF-2011-00660
 Company Tracking Number:
 TOI: H15G Group Health - Hospital/Surgical/Medical Sub-TOI: H15G.003 Small Group Only
 Expense
 Product Name: 07012011 Rate Filing
 Project Name/Number: 7/1/11 Filing/

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Filing Cover Sheet		
Comments: n/a		
Attachment: Cover Sheet.pdf		

	Item Status:	Status Date:
Satisfied - Item: Document Submission Formset		
Comments: n/a		
Attachment: Document Submission Formset.pdf		

	Item Status:	Status Date:
Satisfied - Item: Rating Plans		
Comments: Please refer to the Third Party Actuarial Certification document.		

	Item Status:	Status Date:
Satisfied - Item: Third Party Authorization		
Comments: n/a		
Attachment: Galasso_Report_CA_SG_RateFiling_Solution_07-01-11_FINAL.pdf		

SERFF Tracking Number: AWLP-127103976 State: California
Filing Company: Anthem Blue Cross Life and Health Insurance State Tracking Number: PF-2011-00660
Company
Company Tracking Number:
TOI: H15G Group Health - Hospital/Surgical/Medical Sub-TOI: H15G.003 Small Group Only
Expense
Product Name: 07012011 Rate Filing
Project Name/Number: 7/1/11 Filing/

Item Status:

**Status
Date:**

Satisfied - Item: CA Rate Filing Forms

Comments:

n/a

Attachments:

CAPlainLangFilingDesc.pdf

CARateFilingForm.pdf

0710sgrt_rafs 1.0.xls

0711sgrt_rafs 1.0.xls

CALIFORNIA DEPARTMENT OF INSURANCE

Reset Form

FILING COVER SHEET for FORMS FILINGS with the POLICY APPROVAL BUREAU

(Suggested for use as the cover letter required by Title 10, California Code of Regulations §2205.)

TO: State of California Department of Insurance Policy Approval Bureau 45 Fremont Street San Francisco, CA 94105	FROM: (Official Insurer Name): Anthem Blue Cross Life and Health Insurance Company <hr/> Submitter and Complete Mailing Address: Michael Cole - Actuarial Dir. Anthem Blue Cross Life and Health Insurance Company 2100 Corporate Center Drive (CANQ02-K000) Newbury Park, CA 91320 <hr/> Submission Date: 3/31/11
---	--

1. IDENTIFYING FORM NUMBER(S): Z270
 [The form number(s) of one or more of the documents submitted by which the filing can be identified. §2205(a)]

2. DOCUMENT CLASS [The subdivision of 10 CCR §2202(a) which best describes the forms submitted. (§2205(b))

Generic Description and Definition Citation	<u>Check Below</u>		Generic Description and Definition Citation	<u>Check Below</u>
Health Insurance [Hospital, medical, surgical insurance, expense-incurred or indemnity. §2202(a)(1)]	<input checked="" type="checkbox"/>	or	Credit Life and Disability [§2202(a)(6)]	
Group and Blanket Life and Non-health Disability [§2202(a)(2)]			Supplemental Life Benefits [§2202(a)(7)]	
Individual Disability, Non-health [§2202(a)(3)]			Variable Life and Annuities [§2202(a)(8)]	
Medicare Supplement [§2202(a)(4)]			Fraternalism [Non-health Disability. §2202(a)(9)]	
Long-Term Care [§2202(a)(5)]			Unclassified [§2202(a)(11)]	
* Describe briefly (documents other than those described above may have to be filed with other Department Bureaus; see §2206):				

3. GROUP AND/OR INDIVIDUAL [Are the forms group, individual or used in both contexts? §2205(b)]

Group Only:	<input checked="" type="checkbox"/>		Individual Only:	<input type="checkbox"/>		Group and Individual:	<input type="checkbox"/>	
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4. EMPLOYER SIZE (Employer Health Insurance Only) [Where the forms submitted provide health coverage through employment, the minimum and the maximum sizes of the employers in terms of number of employees §2205(c)]

2 to 50 Employees:	<input checked="" type="checkbox"/>		Over 50 Employees:	<input type="checkbox"/>		All Employers:	<input type="checkbox"/>	
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5. REPLACES PREVIOUSLY-APPROVED DOCUMENT(S)? [Do any documents replace previously-approved documents. §2205(d)]

no

6. FINAL PRINT FORM? [List those documents NOT in the final printed form in which they will be issued to insureds §2205(e)]

Document(s)	Document(s)

7. TYPE OF DOCUMENT WITH WHICH IT WILL BE USED [For each document (such as a rider) which is designed to be used with another document not included in the filing, a statement of the document class with which it is to be used. §2205(f)]

Document Form Number	Document Class (from Item 2, above)
	Health Insurance

8. Master Policy Form Number and Approval Date: _____

[Where a certificate is submitted for use with a previously approved “group” document, the form number and the filing or approval date of the previously approved group document. §2205(g)]

9. IF ABOVE INFORMATION CANNOT BE FURNISHED, EXPLAIN WHY. [If the submitter is unable to furnish the information requested above, explain why. §2205(h)]

10. REMARKS AND ADDITIONAL INFORMATION (Attach additional sheets if necessary):

SUBMITTER’S SIGNATURE AND TITLE:  cn=Michael G. Cole, o, ou=Actuarial
Dir., email=michael.cole@wellpoint.
com, c=US

CALIFORNIA DOCUMENT SUBMISSION FORMSET

Reset Form

California Insurer Number: 3273-0 (NOT NAIC Number)		FOR DEPARTMENT USE ONLY		
Official Insurer Name: Anthem Blue Cross Life and Health Insurance Company		Our File #		Fee Code:
Submitter and Complete Mailing Address: Michael Cole CANQ02-K000 2100 Corporate Center Drive Newbury Park, CA 91320		Reviewer:		
Submission Date: 3/31/2011		Dept Action Date:		
Document Form Number	Doc Type ("Policy," etc)	Document Coverage	Department Action	Fee
1	Z270	Rates		
2	02FD	Rates		
3	Z271	Rates		
4	02FE	Rates		
5	Z272	Rates		
6	02FF	Rates		
7	06Z7	Rates		
8	070R	Rates		
9	06Z8	Rates		
10	070S	Rates		
11	06Z9	Rates		
12	070T	Rates		
13				
14				
15				
16				
INSTRUCTIONS: Complete the part of the form to the left of the double vertical line. Enter one document to a numbered line. Use additional formsets if necessary. Be accurate - the copy of this form that we return to you will be your only record of our action on your submission. THIS IS NOT A BILL - DO NOT PAY. YOU WILL RECEIVE A SEPARATE FILING FEE INVOICE SHORTLY; REMIT FEES ONLY WITH THAT INVOICE.				Total \$ Cont'd on ___ pages

DSF 1.35

Report Prepared By
Actuarial Services & Financial Modeling, Inc.
As Requested By
Anthem Blue Cross Life and Health Insurance Company
Regarding
**Small Group Rates to be Filed with the California Department of Insurance
For July through September 2011 Renewals**

Report Dated: March 31, 2011

By:

James P. Galasso, FSA, MAAA
President & Consulting Actuary
Actuarial Services & Financial Modeling, Inc.
5901 Peachtree Dunwoody Road, B-170
Atlanta, Georgia 30328

Table of Contents

I.	General Background and Scope of Services	3
II.	Definitions and Industry Terminology.....	5
III.	Summary of Methodologies Used for the Rate Filing	10
IV.	Details of Methodologies Used for the Rate Filing	11
V.	Summary Observations and Opinions	17
VI.	Compliance with SB 1163 Draft Guidance	19

Attachments

1.	Curriculum Vitae of James P. Galasso, FSA, MAAA, CERA	Page 27
2.	Actuarial Reliance Certification	Page 29
3.	ACA Mandated Benefits	Page 30
4.	Medical and Rx Trend Development	Page 31
5.	Rate Development Steps.....	Page 32
6.	Age / Gender Factor Stability.....	Page 33
7.	ACA 2011 Minimum Medical Loss Ratio Demonstration.....	Page 34
8.	Anthem's Return on Capital	Page 37
9.	Anthem's Employee and Executive Compensation	Page 38
10.	Medical Care Component of CPI versus Rate Filing Medical Trends	Page 40
11.	California Department of Insurance SB 1163 Draft Guidance	Page 41
12.	Actuarial Memorandum prepared by Reliance Actuary	Page 45

I. GENERAL BACKGROUND AND SCOPE OF SERVICES

Actuarial Services & Financial Modeling, Inc. [dba Actuarial Modeling (“ActMod”)] was engaged to assist Anthem Blue Cross Life and Health Insurance Company (“Anthem”), by providing an actuarial review of certain small group health insurance rates developed by Anthem and filed with the California Department of Insurance (“CDI”).

The policies affected by the rates subject to review consist of the three benefit plans that are summarized in the “Summary Table of Benefit Plans” in Section V of this report. Anthem prepared the rates to be effective for the third quarter 2011 renewal months of July, August, and September. New business written during the third quarter of 2011 will also be written at these filed rates. This report (the “Report”), our actuarial analysis, and our actuarial opinions are based on these assumed effective dates.

ActMod was asked to conduct an independent review of the actuarial methodologies and assumptions used by Anthem to establish the rates filed with the CDI for the benefit plans and rates that are the subject of this Report (the “Rate Filing”).

James P. Galasso, President & Consulting Actuary for ActMod, a Fellow in the Society of Actuaries and a Member of the American Academy of Actuaries prepared this Report. Mr. Galasso has over thirty years’ experience in actuarial work related to health care, has served as the Chief Actuary and Chief Financial Officer of large managed care organizations, and has provided actuarial consulting services to the health care industry. In these various capacities, Mr. Galasso has addressed the areas discussed in this Report on numerous occasions and meets the Qualification Standards for *Actuaries Issuing Statements of Actuarial Opinion in the United States* to issue the opinions contained herein. Mr. Galasso also meets the independence requirements stated in the California Insurance Code section 10181.6 (b)(3). Mr. Galasso’s curriculum vitae can be found as Attachment 1 to this Report.

Mr. Galasso applied the appropriate actuarial standards in conducting his review of the actuarial methodologies and calculations used by Anthem to prepare the Rate Filing.

In addition to an independent review of the actuarial methodologies and assumptions used by Anthem to prepare the Rate Filing, the scope of our assignment also included a review of the supporting Actuarial Memorandum certified by Janet Chiu of Anthem (the “Actuarial Memo”). We have included the Actuarial Memo as Attachment 12 to this Report. Ms. Chiu whose Anthem title is “Regional Vice President and Actuary I” is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. We were also asked to prepare this written report to address, to the best of our ability, the actuarial certification requirements described in a draft released by the CDI on February 3, 2011 regarding rate filing requirements for compliance with Senate Bill 1163 (“SB 1163 Draft Guidance”).

SB 1163 Draft Guidance is included in this Report in its entirety as Attachment 11; Section VI of this Report summarizes the provisions and addresses compliance.

Please note that throughout this Report the definition of capitalized terms can generally be found in Section II (“Definitions and Industry Terminology”).

Various files provided to ActMod by Anthem and discussed in this Report enabled us to reach the opinions presented in this Report.

The scope of this engagement included a detailed independent review of these files with respect to their accuracy, completeness, and methodologies in regards to compliance with the SB 1163 Draft Guidance. ActMod approached this assignment by applying our best efforts to achieving these goals.

The estimates subject to review by this Report, of necessity, include projections of events that have not yet taken place (e.g. claims paid beyond the date for which information is available). While ActMod used accepted actuarial procedures in the review of these estimates, there can be no assurances that the ultimate actual projections will not differ materially from these estimates. In addition the accuracy of any estimates reviewed or discussed in this Report are dependent upon the availability and quality of the data received.

The detailed data (i.e. claim records, membership files, and premium receipts) that were required to prepare the Rate Filing were accepted as accurate and valid by ActMod without audit or detailed verification. Accordingly, ActMod is not able to provide assurances in this Report concerning the integrity of such information used in our analyses and on which our findings are based.

For certain items (e.g. establishment of Geographic Area Factors and certain assumptions that impacted the relatively modest cost estimates attributable to the increase in costs due to ACA mandated benefits), ActMod did not conduct a detailed review of the underlying cost assumptions and relied on the information provided by the qualified actuary identified in Attachment 2 (the “Reliance Actuary”). Such reliance is typical and, we believe, universal when an external and independent actuary is asked to assist a company with complex actuarial issues – especially actuarial issues requiring the detailed review of a company’s own data. This Report identifies those instances for which we relied on the Reliance Actuary.

ActMod did review all data and information provided for general reasonableness. We have no reason to believe that any of the data or information provided is not accurate. Additionally, we believe our review addressed the appropriate issues and our conclusions presented herein are reasonable, given the information provided. From this point forward, the reader of this Report should assume that for certain data or information that we identified as having not been reviewed or audited by ActMod for other than general reasonableness (e.g. raw data and hard-coded data in electronic files provided), that we have no cause to believe that the information is not accurate.

Anthem was able and did provide all of the information requested by ActMod.

The scope of this engagement does not constitute a rendering by ActMod or its employees of any legal advice, and because our engagement is limited in nature and scope, it cannot be assumed to provide all analyses that may have importance to Anthem or others in this matter.

Unless legally required to do so, this Report may not be copied, reproduced, or distributed to others at any time without the prior written consent of both parties. This Report may contain certain nonpublic information, and, accordingly, recipients shall treat this Report, and any nonpublic information made available hereunder, as confidential. Distribution of this Report must be in its entirety, including any Attachments or Appendices.

Nothing included in this Report may be included in any filing with the Securities and Exchange Commission.

Any reader of this Report must possess a substantial level of expertise in areas relevant to this analysis to appreciate the significance of the assumptions used in the analysis, and the impact of the assumptions on the illustrated results.

II. DEFINITIONS AND INDUSTRY TERMINOLOGY

- A. Accountable Care Act (“ACA”) – The two health care reform bills enacted into law on March 23, 2010 called the “Patient Protection and Affordable Care Act” and the “Health Care and Education Affordability Reconciliation Act of 2010” are collectively referred to as the “Accountable Care Act”.
- B. Actuarial Values - (see Benefit Plan Relativities)
- C. Adverse Selection - One of the most challenging issues that health insurance companies must contend with in a voluntary and competitive market is the ability of each prospective or current Member and/or Small Group to forego health insurance or to select the benefit plan and insurance company that offers the most attractive alternative.

Historically, health insurance companies have protected themselves from adverse selection attributable to new sales via the Medical Underwriting process (see Medical Underwriting). Controlling adverse selection attributable to enrolled Small Groups or Members is much more problematic. For example, when rate increases are necessary, every Small Group and Member reassesses its current position. Healthy Members and Small Groups with relatively low Medical Costs are both more attractive to all competitors and less inclined to believe that the premiums they have been paying provide sufficient value. Accordingly, healthier Members and Small Groups with relatively low Medical Costs generally have a higher Lapse Rate than less healthy members. In the absence of new sales offsetting this adverse selection phenomenon, the average PMPM claims cost for a benefit plan will increase above and beyond the myriad of other factors that also drive PMPM Medical Costs higher.

In addition to lapsing coverage or changing health insurance companies, when faced with premium increases, healthy Members and Small Groups with relatively low Medical Costs are also much more likely to replace their current health insurance policy with a policy with a lower Actuarial Value. Even if a lower cost Member or Small Group replaces its current policy with a lower cost policy from the same health insurance company, that company will still experience adverse selection. The adverse selection will be in the form of a reduction in the premiums received that exceeds the expected reduction in Medical Costs between the two policies.

Finally, statutes and regulations often limit an insurer’s ability to protect itself against adverse selection (see “Guaranteed Issue” and “Guaranteed Renewability”).

- D. Allowed Claims (or, Allowed Charges) – Allowed Claims represent the amount a health care provider bills a managed care organization **after** the application of contractual discounts negotiated with the managed care organization but **before** member cost sharing provisions are considered.
- E. Anniversary (or, Renewal) Month – Small Employer Groups generally receive rate changes on a regular basis (e.g. every 6-months or annually). The rate change month for a Small Employer Group is usually called an “Anniversary Month”, or a “Renewal Month”.
- F. Base Period (also referred to as Experience Period) – This is a term used by actuaries when they must project future medical costs and related data (e.g. members and premiums) for a defined purpose. The Base Period is derived from a recent subset of the Experience Data. The actuary often uses the Base Period to project future expected experience (e.g. for a defined Rating Period).

- G. Benefit Plan Relativities (or, Actuarial Values) – When evaluating the historical experience and projecting the future financial experience for Small Groups or Members, it is often necessary to adjust the experience for benefit plan changes that took place during the historical period. This requires an evaluation of the relative Actuarial Values for the benefit plans in effect during the historical period. These relative Actuarial Values are often referred to as Benefit Plan Relativities. For example when benefit plan A is expected to provide for benefit payments that, on average, amount to 90.0% of the expected benefit payments of benefit plan B, the Benefit Plan Relativity between plan A and plan B is 90.0%.
- Actuarial Value is also used to define the percentage of total Medical Costs that will be paid by a particular benefit plan. For example, a benefit plan with an Actuarial Value of 85% is expected to cover 85% of total Allowed Claims with the Member paying for the remaining 15% in the form of Cost Sharing.
- H. Billed Claims (or, Billed Charges) – Billed Claims represent the amount a health care provider bills a managed care organization **before** the application of contractual discounts negotiated with the managed care organization and **before** member cost sharing provisions are considered.
- I. Cost Sharing – Cost Sharing refers to the amount of Allowed Charges that a Member must pay for health care services over and above that paid by a health care plan. The most common cost sharing provisions consist of deductibles, copayments, and coinsurance amounts. Benefit limitations such as lifetime or calendar year limits may also result in Cost Sharing.
- J. Eligible Employee - This term is defined by the California Insurance Code Section 10700. In general, it refers to an employee who is eligible to participate in an employer sponsored health insurance plan.
- K. Employee Contribution – This is the amount an Eligible Employee must pay to participate in an employer sponsored health insurance plan. The employee contribution may be expressed as a dollar amount (often the employee’s required monthly contribution) or a percentage of the benefit plans total premium.
- L. Employee Participation – This is defined as the percentage of Eligible Employees that actually enroll in an employer sponsored health insurance plan.
- M. Experience Data – This is a term used by actuaries to define the data (e.g. members, premium, and medical claims) that is often used for projection purposes. The data used for a defined Base Period is generally a subset of the Experience Data.
- N. Family Tier – This is an industry term that is used to describe a Member’s family type rating classification (e.g. Single Subscriber, Subscriber and one Dependent, Family).
- O. Guaranteed Issue – California Assembly Bill 1672 (“AB 1672”) requires that health insurers offer health coverage to all Small Employers requesting such coverage, subject to certain provisions (e.g. a health insurer may establish, within limits, minimum Employee Contribution and minimum Employee Participation requirements). This requirement is generally referred to as “Guaranteed Issue”.
- P. Guaranteed Renewability – In addition to Guaranteed Issue, AB 1672 also guarantees the renewability of Small Group health insurance policies for other than certain very limited and defined reasons (e.g. the nonpayment by the Small Group of required premiums).
- Q. Lapse Rate - Lapse rates is an industry term used to measure the termination rate of Members and/or Groups. When specifically measured, the lapse rate is generally expressed as a monthly or annual percentage.

- R. Managed Care Organization (“MCO”) – Third party health care payers that negotiate contracts with health care providers to provide services to its Members are often referred to as Managed Care Organizations.
- S. Medical Costs – This is an industry term that is used to refer to medical claim payments plus other medical costs and/or credits (i.e. capitation payments to providers or provider organizations, provider risk sharing payments or receivables, Rx Rebates, medical management expenses properly classified as medical expenses, etc.).
- T. Medical Loss Ratio (“MLR”) – While the subject of multiple definitions, in its most basic form (and, unless otherwise stated, as used in this Report), an MLR is defined as Incurred Medical Costs divided by Earned Premiums for a defined period of time. Two other relevant MLR definitions for the purpose of this Report include:
 - (1) GAAP-defined MLR – Generally Accepted Accounting Principles (“GAAP”) requires that certain medical management expenses be treated as Medical Costs. Thus a GAAP-defined MLR is defined as Incurred Medical Costs (inclusive of medical management expenses that improve the quality of medical care) divided by Earned Premium.
 - (2) ACA-defined MLR – The ACA defines the numerator and the denominator of the MLR as follows:
 - (a) Numerator = Medical Costs (inclusive of medical management expenses that improve the quality of medical care) plus the impact of Policy Contract Reserves (also known as Active Life Reserves), if any.
 - (b) Denominator = Earned Premium less State and Federal Taxes
- U. Medical Trend (also referred to as “Claims Cost Trends”, “Claims Trend”, or “Claims Trend Factor”) – The actual and/or expected change in claims cost (the claims costs are generally expressed on a Per Member Per Month, or “PMPM” basis) over a defined period of time (the change, or Medical Trend, is generally expressed as a percentage in annualized terms).
- V. Medical Trend Leverage – The mathematical phenomenon that causes Medical Trends to be higher for benefit plans with fixed cost sharing provisions such as calendar year deductibles or fixed copays (e.g. all else being equal, a benefit plan will experience higher medical cost trends to the extent it has a fixed calendar year deductible that is higher than that of another similar benefit plan). This is due to the fixed cost sharing provisions offsetting a smaller proportion of a total benefit plan’s claims cost as overall costs increase but the fixed cost sharing provisions remain fixed.
- W. Medical Underwriting – The selection process that MCOs often use to review the medical history of a health insurance applicant. After reviewing an applicant’s medical history, the MCO will generally assign the applicant (or, group of applicants for group insurance) to an Underwriting Tier.
- X. Member – Member is the term most commonly used to describe any participant in a health care plan, whether that participant be an Employee or a dependent of an Employee.
- Y. Member Months – The average number of Members covered during a defined time period multiplied by the number of months in that time period. Member Months is also used to describe the average number of Members covered for each day within a given month.

- Z. Months of Movement (also called “Trend Months”) – This is a term used to measure the average number of months from the Base Period to the Rating Period. Months of Movement equals the number of months between the midpoint of the Base Period and the midpoint of the Rating Period.
- AA. Paid Claims - Unless otherwise stated this Report refers to Paid Claims as the amount a health care provider bills a managed care organization **after** the application of contractual discounts negotiated with the managed care organization and **after** member cost sharing provisions are considered. Paid Claims must often be distinguished from Incurred Claims but unless otherwise stated, this Report will use the terms Paid Claims and Incurred Claims interchangeably to distinguish them from Allowed Claims (see Definition above). Paid Claims generally refers to claims actual paid by a managed care organization. Incurred Claims refers to claims both paid and incurred but not yet paid (i.e. Paid Claims plus a liability estimate for claims incurred but not yet paid).
- BB. Per Member Per Month (“PMPM”) – Dollar values in the managed care industry are often expressed on a Per Member Per Month (“PMPM”) basis. For example, the average premium and Medical Costs for Members for one month or for a series of months (such as the Experience Period or the Rating Period) are often expressed as PMPMs, which is calculated by dividing the total dollars for the period in the form of Medical Costs or premiums paid by the total number of Member Months that generated those dollars.
- CC. Policy Duration – The length of time (usually in years) since the issue date of a health care policy.
- DD. Policy Form – Policy Form is a term used to describe a health insurance contract that is filed with the appropriate regulatory authorities for a class of benefit plans offered to prospective and current Subscribers. A single Policy Form will often permit variations by benefit plan for certain defined items such as deductibles and other cost sharing provisions.
- EE. Retention – Retention is an industry term that is used to describe the portion of the premium dollar estimated to provide for all items other than Medical Costs. Examples of Retention items include: Administrative Expenses, Selling Expenses, Premium Taxes, and Profits. Retention is generally expressed as either a percentage of premiums or a fixed dollar amount PMPM. When expressed as percentages of premiums, the total of all Retention items is equal to the complement of the basic MLR (i.e. 100% minus the MLR = Retention).
- FF. Risk Category (or, Rating Classification) – This term is defined by the California Insurance Code Section 10700. It refers to the various rating categories that may impact the particular rate of an Eligible Employee or Small Group before the application of any Risk Adjustment Factor. California permissible Risk Categories for Small Groups include: Benefit Plan, Age, Geographic Area, and Family Tier.
- GG. Rating Period – This term is defined by the California Insurance Code Section 10700. It is defined as the period for which premium rates established by a carrier are in effect and shall be no less than six months.
- HH. Risk Adjusted Employee Risk Rate – This term is defined by the California Insurance Code Section 10700. It is defined as the "Standard Employee Risk Rate" after the application of the Risk Adjustment Factor.

- II. Risk Adjustment Factor (“RAF”) - This term is defined by the California Insurance Code Section 10700. It refers to the percent adjustment to be applied equally to each “Standard Employee Risk Rate” for a particular small employer group, based upon any expected deviations from standard cost of services. For the relevant time period for this Rate Filing, the RAF may not be more than 110 percent or less than 90 percent. Per California Insurance Code Section 10714, the RAF for a given small employer group may not be changed more frequently than once every 12 months and may not increase by more than 10 percentage points from the prior RAF applied in the prior rating period.
- JJ. Seasonality – This is the term used to describe the phenomenon that Medical Costs often vary by calendar month. This is especially true for benefit plans with high calendar year deductibles since claim payments for these plans are generally lower in the early months of a calendar year and increase in the latter months of a calendar year. That is, in the early months of a calendar year, a greater portion of Medical Costs are subject to the benefit plan deductibles that are the responsibility of the Member.
- KK. Small Group (or Small Employer) – this refers to Small Employer as defined by the California Insurance Code Section 10700. Generally speaking, a Small Group is an employer group with 2 to 50 Eligible Employees.
- LL. Standard Employee Risk Rate – This term is defined by the California Insurance Code Section 10700. It represents the rate applicable to an Eligible Employee in a particular Risk Category for a Small Group.
- MM. Subscriber – This is a term that is often used to describe the purchaser of a health care policy. The health care policy itself may cover only the Subscriber (i.e. a “Single” policy) or the Subscriber and his or her dependents (i.e. a “Family” policy). For Small Group policies the “Subscriber” is generally an “Employee” of the insured group.
- NN. Underlying Medical Trends (or, “Trend Starting Point”) – The portion of Medical Trends exclusive of the various factors that cause medical costs for a benefit plan to increase at a higher or lower rate than basic medical cost changes themselves (e.g. exclusive of Medical Trend Leverage, aging, large claim distortions, and benefit plan mix changes).
- It should be emphasized that theoretically “Underlying Medical Trends” should also exclude the impact of Adverse Selection. Unfortunately, it is often difficult to impossible to accurately measure the impact of Adverse Selection from historical experience without resorting to external sources for an estimate of Underlying Medical Trends. Accordingly, more often than not an analysis of Underlying Medical Trends from historical experience includes an element of Adverse Selection, which in the case of Small Group policies can be material.
- OO. Underwriting Tier – An industry term used to define the classification of individuals after reviewing an applicant’s medical history (or, in the case of Small Group the classification of a group after reviewing the medical history of the Small Group’s employees and dependents). This is analogous to the “Risk Adjusted Employee Risk Rate” defined in the California Insurance Code Section 10700.

III. SUMMARY OF METHODOLOGIES USED FOR THE RATE FILING

Anthem constructed and followed several key methodologies that were used in the preparation of the Rate Filing. A summary description, followed by a detailed review, of each such methodology follows:

- A. **Gathering of Detailed Data** – The first step in preparing a Rate Filing is to capture the relevant data at the appropriate level of detail to support the analysis required. Anthem captured information for Membership, Premiums, Claims, and related information (e.g. benefit plan information, Large Claims Data, Paid Claims versus Allowed Claims, and medical claims versus Rx claims).
- B. **Medical Trend Analysis** – Anthem developed the Medical Trend assumptions used in the Rate Filing by conducting a detailed trend analysis of the actual historical experience for the Solution PPO Product Line with credible historical data. Medical Trends are used to project medical costs from the Experience Period to the Rating Period.
- (1) **Member Considerations** – Anthem restricted the membership and corresponding Medical Costs used for the trend analysis to Small Groups with PPO benefits that had a minimum of twenty-four months of experience and were still enrolled in a Solution benefit plan as of October 1, 2010. This methodology offered the benefit of removing any distortion in the Medical Trend analysis that may be created by newly issued groups. That is, new groups may experience anti-selection due to Guaranteed Issue, or they may experience favorable experience due to permissible underwriting practices and/or a natural predilection for groups with more favorable experience to seek alternative competitor offerings. ActMod believes that this is an appropriate refinement to the Medical Trend evaluation process since it mitigates potential new business distortions.
 - (2) **Age and Gender Considerations** – Month-to-month changes in age and gender can impact the Medical Trend analysis. Anthem adjusted for the potential impact of age and gender mix changes by normalizing the monthly Medical Costs with appropriate age and gender factors.
 - (3) **Benefit Plan Considerations** - Anthem used Allowed Claims for the Medical Trend analysis to obviate the need to estimate and adjust for month-to-month changes in Member enrollment by benefit plan.
 - (4) **Geographic Area Considerations** – As with Age and Gender considerations, Anthem adjusted for the potential impact on Medical Trend of Member shifting by geographic area by normalizing the monthly Medical Costs with appropriate geographic area factors.
 - (5) **Large Claim Considerations** – Since large Member-specific claims can create anomalies for the Medical Trend analysis, Anthem removed from the historical data the portion of month-by-month Member-specific Allowed Claims that exceeded \$250,000.
 - (6) **Risk Adjustment Factor (“RAF”) Considerations** – While difficult to quantify the actual health risk characteristics of the underlying population, a material shift in the RAF could suggest that considerations be given to a potential impact on Medical Trend and/or the Rate Development Process. Accordingly, ActMod asked that Anthem provide us with a month-by-month analysis of RAF factors. The Reliance Actuary complied with our request and demonstrated the stability of the RAF factors. For further discussion, please refer to Section IV. D. (7).

- (7) **Underlying Medical Trends (or, “Trend Starting Points”)** – Anthem prepared its analysis of the Trend Starting Points by evaluating month-by-month Medical Costs and, where appropriate, adjusting for the factors noted in items (2) through (5) above.
- (8) **Medical Trend Leverage Analysis** – Anthem also evaluated and reflected Medical and Rx Trend Leverage Factors in the development of the Total Medical and Rx Trend estimates used for the Rate Development Process.
- C. **Evaluation of Benefit Plan Changes** – The Rate Filing reflects the benefit changes for ACA-mandated benefits. The impact of these benefit plan changes is required to properly reflect projected claims costs for the Rating Period.
- D. **Establishing a Rate Development Process** – Once Anthem captured and completed the required backup analysis, they applied what is often referred to as a “Rate Development Process”. Anthem developed and followed a detailed Rate Development process to determine the rate changes proposed in the Rate Filing. In general, the Rate Development process begins with data summarized for the Experience Period and applies the appropriate adjustments (i.e. the items described above in this Section III of the Report) to project the relevant parameters to the Rating Period, which includes the proposed rate changes. The Rate Development Process develops the proposed rate changes for the products impacted by this Rate Filing.
- E. **Capture and Analyze the Reporting Requirements of SB 1163 Draft Guidance** – The final step for the purpose of preparing this Report involved capturing and documenting the various requirements of the SB 1163 Draft Guidance (see Section VI).

IV. DETAILS OF METHODOLOGIES USED FOR THE RATE FILING

Following is a detailed description of ActMod’s review and opinions for each of the items summarized in Sections III. A. through D. above (item III. E. is discussed in Section VI).

- A. **Gathering of Detailed Data** – Anthem gathered the data necessary to prepare the Rate Filing. The details of the data captured and used are described in the below discussion of the various methodologies. Anthem prepared the Rate Filing with information available such that the Rate Filing could be prepared, independently reviewed, and filed while leaving what was believed to be sufficient time for an adequate regulatory review.

Anthem captured claims payment data through December 31, 2010 to enable Anthem to estimate claim incurrals through October 31, 2010 (i.e. incurred claims are generally paid one or more months after the claim incurrence date; by capturing payment data through December 2010, Anthem can estimate claim incurrals through October 2010 with sufficient accuracy).

Membership and premium data was captured through October 31, 2010, consistent with the claim incurrence estimates.

ActMod believes that Anthem requested and used the appropriate data required to prepare the Rate Filings consistent with sound actuarial practices and principles.

- B. **Medical Trend Analysis** – Medical Trend Factors are critical to the development of actuarially sound projections for Medical Costs and Medical Loss Ratios. Anthem identified and analyzed various components of the Medical Trend Factors that were used by Anthem’s Rate Development Process.

Twenty-four months of Experience Data for incurred claims and membership from November 2008 through October 2010 was used for the Medical Trend analysis period.

Anthem specifically considered and/or adjusted for the factors noted below in their trend analysis:

- (1) **Age/Gender Analysis** – As previously noted, Anthem adjusted for the potential impact of age and gender mix on the Medical Trend Analysis by normalizing the monthly Medical Costs with appropriate age and gender factors.
- (2) **Benefit Plan Relativity Analysis**. As previously noted, Anthem considered the potential impact of benefit changes by relying on Allowed Claims for the Medical Trend analysis. Since Allowed Claims capture Medical Costs before the application of benefit plan cost sharing provisions, this is a straight forward and actuarially sound methodology that is used to properly reflect benefit plan changes when analyzing and estimating Medical Trends.

Since ultimately, however, Anthem must project Paid Claims versus Allowed Claims, a subsequent adjustment is required to reflect the expected difference in Medical Trends for Allowed Claims versus Paid Claims for the benefit plans impacted by this Rate Filing. This adjustment is discussed below in Section B (7) [Medical Trend Leverage Analysis].

- (3) **Medical Trend Geographic Area Analysis** – Anthem reviewed the historical geographic area factors for stability and trend analysis. Specifically, Anthem compared the average area factors for the 12-month period ending October 2010 (0.695) to the 12-month period ending October 2009 (0.696). The annual change of a negative 0.17% (0.695/0.696) was used to appropriately adjust the calculated annual Medical Trend factor.
- (4) **Large Claim Considerations** – Anthem captured and removed the portion of month-by-month Member-specific Allowed Claims that exceeded \$250,000. This smoothed the historical information to avoid discontinuities attributable to several large claims. ActMod tested the impact of this large claim adjustment and found that had the adjustment not been made the “Trend Starting Point” for this Rate Filing (see Section IV. B) would have been higher at 16.7% versus the 13.6% that excludes Member-specific Allowed Claims exceeding \$250,000.

Since Anthem completely removed the Member-specific excess amounts over \$250,000 from the trend analysis, it is ActMod’s opinion that this adjustment results in a slight bias to producing Medical Trends that are lower than what otherwise might be expected if these large claims were included. We would expect that the true trend would likely fall somewhere between the Rate Filing assumed 13.6% Medical Trend that excludes Allowed Claim amounts over \$250,000 entirely and the 16.7% Medical Trend that makes no large claim adjustment.

The Rate Filing proposed premium rate increases would have been higher had Anthem assumed a Medical Trend rate higher than the Rate Filing assumption of 13.6%. Nevertheless, we understand Anthem’s methodology and are comfortable that their selected Medical Trend is actuarially sound and meets actuarial standards.

- (5) **Risk Adjustment Factor (“RAF”) Considerations** – As previously noted, the Reliance Actuary demonstrated that the stability of the month-to-month RAF factors obviated the need for further consideration with respect to the potential impact of these factors on either Medical Trend or the Rate Development Process. For further discussion, please refer to Section IV. D. (7).
- (6) **Develop “Trend Starting Points”** - Anthem evaluated the twenty-four months of historical experience that reflected the above factors to develop Underlying Medical Trends, or what Anthem refers to as “Trend Starting Points”. Trend Starting Points were developed for each Medical Trend (excluding Rx) and Rx Trend.

(7) **Medical Trend Leverage Analysis** - The essential difference between Allowed Claims Medical Trends and Paid Claims Medical Trends is attributable to what is called Medical Trend Leverage. Anthem adjusted each the Medical Trend Starting Points (excluding Rx) and the Rx Trend Starting Points for Trend Leverage. Anthem analyzed the impact of Trend Leverage as follows:

- (a) Anthem used Milliman Health Cost Guidelines to develop benefit plan-specific Medical Trend Leverage (excluding Rx). Milliman is a large nationally recognized actuarial consulting firm with substantial expertise in health care. ActMod believes that Milliman's Health Cost Guidelines is the most prevalent source of actuarial data used by most large and small managed care organizations.
- (b) Anthem conducted its own analysis to estimate Rx Trend Leverage for the fixed cost sharing benefit provisions for prescription drug expenses.
- (c) Anthem then developed a composite weighting of medical costs and prescription drugs to estimate the total impact of Medical Trend Leverage Factors (including Rx) for each Policy Form.

The results of the above Medical Trend Analysis (including Rx) are presented in Attachment 4:

- (d) Columns (1) through (4) show the development of the Medical Trend (excluding Rx).
- (e) Columns (5) through (8) show the development of the Rx Trend.
- (f) Column (9) shows the Total Trend (Medical and Rx combined). The figures shown in this column are the annualized trends used for Rate Development (see Section IV. D below).

ActMod conducted a detailed review of Anthem's methodologies and assumptions with respect to the Medical Trend Factors and believe they are actuarially sound and the assumptions reasonable.

C. **Evaluation of Benefit Plan Changes** – The Rate Filing included the following ACA-mandated benefit changes:

- (1) Elimination of \$5.0 million Lifetime Maximums
- (2) Dependent eligibility to the age of 26
- (3) Elimination of annual benefit maximum of \$2,000 for Durable Medical Equipment
- (4) Elimination of \$50 Lifetime Max for Smoking Cessation programs
- (5) Enhancements to the Mental Health and Substance Abuse Benefits to eliminate what were considered to be effective annual benefit maximums prohibited by the ACA
- (6) Covering defined Preventive Services with no Member Cost Sharing. The cost sharing provisions that existed prior to this ACA-mandated benefit consisted of the following:

Benefit Plan	Deductible	Coinsurance	Copay
Solution 2500	\$2500	25%	\$25
Solution 3500	\$3500	35%	\$35
Solution 5000	\$5000	40%	\$40

As noted in Attachment 3, the estimated average impact for the ACA-mandated benefits is 4.0%, ranging by benefit plan from 3.7% to 5.3%. ActMod reviewed the information provided by the Reliance Actuary for these estimates and believe they are reasonable and actuarially sound.

- D. **The Rate Development Process** – A Rate Development Process involves the integration of many of the assumptions discussed in Sections IV. A. through C. above into a comprehensive analysis that progresses from the summary of basic data for a defined Experience Period through the development of actual historical premium PMPMs, needed rate changes, and/or proposed rate changes.

Anthem selected November 1, 2009 through October 31, 2010 as the Experience Period.

The Rating Period was effectively defined by the Anniversary Months impacted by the Rate Filing. Specifically, the Rate Filing proposes rates for Small Groups renewing during the third calendar quarter of 2011 (i.e. July, August, and September 2011).

The basic Experience Period data used for the Rate Development Process (i.e. Members, Premium and Claims) were captured for only those Members with Anniversary Months of July, August, and September under the assumption that this most accurately reflects the underlying risk characteristics for those most impacted by this Rate Filing.

Each Step Anthem followed for this Rate Filing is shown in Attachment 5 and consists of the following (note the below numbered items correspond to each numbered Step on Attachment 5):

- (1) **Incurred Claims** - These are the estimated claims that were incurred during the Experience Period (Note: “Incurred Claims” are always considered estimates since they always include an estimate for claims incurred but not yet paid).
 - (a) **Pooled Claims** – Pooled Claims are calculated by aggregating at the Member level the portion of any claim payments during the Experience Period that exceeded \$100,000 (for example, if \$175,000 was paid for a Member, \$75,000 would be considered “Excess” or “Pooled” claims for that Member). Claim payments were defined as claims incurred during the Experience Period and paid on or prior to December 31, 2010.
 - (b) **Incurred Claims w/ Pool Charge** – Anthem reviewed all claims for all California Small Group PPO products to calculate a “Pool Charge” for claims in excess of \$100,000. The “Pool Charge” was calculated as follows:
 - (i) Total Incurred Claims during the Experience Period
 - (ii) Total Incurred Claims during the Experience Period exclusive of “Excess Claims” over \$100,000.
$$\text{Pool Charge} = (i) / (ii) - 1.0$$

“Incurred Claims w/ Pool Charge” for each benefit plan is then calculated as follows:

 - (i) Incurred Claims exclusive of “Excess Claims”
 - (ii) $(1.0 + \text{Pool Charge})$
$$\text{“Incurred Claims w/ Pool Charge”} = (i) \times (ii)$$

The Pool Charge for PPO products during the Experience Period was determined to be 14.01%.

ActMod believes that Anthem’s methodologies used for “Excess Claims” and the corresponding development and use of Incurred Claims w/ Pool Charge are reasonable and actuarially sound.

- (2) **Premium Earned** – these are the premiums earned during the Experience Period.

- (3) Loss Ratio (Excl Rx Rebates & Med Mgmt Exp) = Step (1) / Step (2).

Note: Rx Rebates, which must be allocated by benefit plan, are considered in Step 10(b) below. Medical Management Expenses that are considered to be Medical Costs as defined by the ACA are considered in Step 10(c) below.

- (4) Member Months – these are the Member Months during the Experience Period for Members with July, August, or September Anniversary Months. The Experience Period Premiums and estimated Incurred Claims were those generated by these same Members.
- (5) Incurred Claims PMPM (w/ Pool Charge) = Step (1)(b) / Step (4). The Total PMPM is calculated by weighting the benefit plan-specific PMPMs by the Member Months for the most recent available month (i.e. Step 11).
- (6) Premium PMPM = Step (2) / Step (4). The Total PMPM is calculated by weighting the benefit plan-specific PMPMs by the Member Months for the most recent available month (i.e. Step 11).
- (7) Current Premium PMPMs at 10/2010 Subscribers – these Premium PMPMs are calculated from the current premium rate tables and the last month of the Experience Period (i.e. October 2010) for Subscribers with renewal dates of July through September. These Subscribers are assumed to represent the Subscribers throughout the Rating Period. Anthem also demonstrated the stability of the “Age/Gender” rating factor between the Experience Period and the last month of the Experience Period (i.e. October 2010). This demonstration is shown in Attachment 6. This stability verifies that it is not necessary to adjust for possible Age/Gender shifting when relating benefit costs for the Experience Period to the “Current Premium PMPMs at 10/2010 Subscribers” assumed for the Rating Period.

The very modest negative variations for the Age/Gender factors shown in Attachment 6 (a negative 0.18% for Medical and a negative 0.12% for Rx), suggest that each the “Recommended Premium PMPM” and the Rating Period Loss Ratios for the Rate Development are modestly understated to the benefit of the Subscriber. That is, the actual Rating Period Loss Ratios, all else being equal, are modestly higher than those shown for Rate Development Steps 19 and 20 on Attachment 5.

As previously noted, ActMod also requested and the Reliance Actuary provided a demonstration of the stability of the RAF factors between the Experience Period and the most current available data month (i.e. October 2010). The demonstration involved the RAF evaluation for all of Anthem’s Small Group products since the RAF factor is established at the Group level and each Subscriber within the Group can elect a Solution or Non-Solution benefit plan.

The demonstration showed a very modest change in a Member-weighted average RAF of a positive 0.17% from the Experience Period to the last month of the Experience Period (i.e. the proxy for the Rating Period). Even if this positive 0.17% were solely attributable to Solution, the combined impact of the positive 0.17% for the RAF and the offsetting negative amounts noted above for the Age/Gender shift are virtually offsetting with no material impact on the Rate Development process.

- (8) Trend Months – these are the number of Trend Months between the midpoint of the Experience Period and the midpoint of the Rating Period. Anthem determined the midpoint of each the Experience Period and the Rating Period by weighting the appropriate months with the corresponding Membership for each month. The midpoints were determined to be June 1, 2010 and January 31, 2012 for the Experience Period and the Rating Period, respectively. The number of Trend Months between the midpoint of the Experience Period and the midpoint of the Rating Period was calculated as 19.94 months.
- (9) Annual Medical Trend Factor. The Annual Trend Factors were determined as described in Section IV. B.
- (10) Projected Incurred Claim PMPM (Preliminary) = Step (5) x [1.0 + Step (9)] ^[Step (8) / 12.0]
- (a) Benefit Adjustments – these are the values discussed in Section IV. C. and summarized in Attachment 3.
 - (b) Rx Rebates – these are Anthem estimated amounts that are offsets to incurred claim estimates and prorated across benefit plans. The estimated value is shown as a negative \$2.67 PMPM in this Step 10 (b). ActMod relied on the Reliance Actuary for this estimate.
 - (c) Medical Management Expenses – these are Anthem estimated amounts that represent the ACA-defined Medical Management Expenses that are expected to improve the delivery of medical care. ActMod relied on the Reliance Actuary for the \$3.38 PMPM shown in this Step (10) (c).
 - (d) Projected Incurred Claim PMPM (Final) = Step (10) + Step (10)(a) + Step (10)(b) + Step (10)(c).
- (11) Member Months (12/10 for most recent) = these are the percentage distribution of Members in force as of December 2010 for the Solution benefit plans.
- (12) Selling Expenses PMPM (8.8% of Premium) – the PMPMs shown are calculated as 8.8% of the Recommended Premium PMPM in Step (18) below. The 8.8% represents the average sales commission and was provided to ActMod by the Reliance Actuary.
- (13) Admin Expenses PMPM – the \$15.58 PMPM represents Anthem’s general operating expenses for the Solution benefit plans. This PMPM estimate was provided to ActMod by the Reliance Actuary.
- (14) Premium Taxes PMPM (2.35% of Premium) = 2.35% x Step (18); 2.35% is the California Premium Tax Rate.
- (15) Operating Gain (Loss) PMPM = Step (18) – Step (10)(d) – Step (12) – Step (13) – Step (14)
- (16) Federal Income Tax PMPM; 32.0% of Op Gain (Loss) = 32.0% x Step (15); 32.0% is the effective Federal Income Tax rate paid by Anthem. The 32.0% figure was provided to ActMod by the Reliance Actuary.
- (17) Recommended Premium Increase – the recommended percentage increases are determined iteratively by Anthem by reviewing the impact on the Rating Period MLR’s shown in Steps (19) and (20).
- (18) Recommended Premium PMPM = [1.0 + Step (17)] x Step (7)
- (19) GAAP-defined MLR = Step (10)(d) / Step (18)

$$(20) \text{ ACA-defined MLR} = \text{Step (10)(d)} / [\text{Step (18)} - \text{Step (14)} - \text{Step (16)}]$$

ActMod conducted a detailed review of Anthem's methodologies and assumptions with respect to the Rate Development Process and believe they are actuarially sound and the assumptions reasonable.

V. SUMMARY OBSERVATIONS AND OPINIONS

The below table summarizes the recommended rate changes and the expected Medical Loss Ratios.

Summary of Recommended Rate Changes and MLRs

Solution Benefit Plan	Members December 2010 ⁽¹⁾	Recommended Rate Changes (averages)		Medical Loss Ratio	
		Quarterly ⁽²⁾	Annual ⁽³⁾	ACA-defined	GAAP-defined
2500	10,693	7.0%	21.6%	83.3%	80.4%
3500	4,710	5.0%	19.0%	85.6%	83.6%
5000	<u>2,102</u>	<u>3.0%</u>	<u>16.3%</u>	<u>75.9%</u>	<u>71.1%</u>
Total	17,505	6.0%	20.3%	83.1%	80.2%

⁽¹⁾ Members with July, August, or September Anniversary Months

⁽²⁾ Quarterly rate change from April–June 2011 to July–September 2011 Rate Tables

⁽³⁾ Annual rate change from July–September 2010 to July–September 2011 Rate Tables

Anthem generally updates its Small Group Rate Tables each calendar quarter. New business enrolls at the rate levels in place as of the group's effective date. Renewal business renews at the rate levels in place for the renewal month. Since groups generally renew annually on their Anniversary Month, the rate change for a renewal group will generally be the change between the Rate Table in effect as of a group's renewal month and the Rate Table in effect 12-months prior to the group's renewal month.

ActMod notes that there is no California-specific statutory or regulatory guidance regarding benefit plan-specific Medical Loss Ratios for Small Groups. In ActMod's opinion, however, the above Medical Loss Ratios defined to comply with GAAP standards are, in the aggregate, at or above typical industry Medical Loss Ratios for Small Groups.

We also note that the above Medical Loss Ratios defined to comply with ACA calculation standards, in the aggregate, exceeds the ACA requirement that a company's ACA-defined Medical Loss Ratio for an entire market segment (e.g. all Small Group benefit plans combined) be not less than 80.0%.

Note that to the extent other Small Group benefit plans have Medical Loss Ratios that, when combined with all Solution benefit plans, have an aggregate ACA-defined Medical Loss Ratio not less than 80.0%, the ACA-defined Medical Loss Ratio for all Solution benefit plans combined can be less than 80% and still comply with ACA Medical Loss Ratio requirements.

Finally, it should be understood that the California Insurance Code Section 10700 permits rates to vary between 90% and 110% of the standard employee risk rate for a particular Small Group based upon any expected deviations from standard claims. While ActMod did not review the group-by-group determination of the RAF, the Reliance Actuary stated that “Upon group renewals, group specific claim experience and utilization are factored into RAF setting and renewal negotiation.” ActMod was provided the actual RAF for each of the 9,972 Subscribers impacted by this Rate Filing.

ActMod tested each of the 9,972 RAF factors provided for compliance and found only two subscribers for which with RAF factors fell outside the 90% to 110% range. For each of these two subscribers the RAF factor was 85%. We inquired with Anthem as to why the RAF’s were outside the Small Group range. Anthem advised us that the two subscribers were employees of the same Group. This Group, however, had grown to in excess of 50 employees for which the 90% to 110% RAF statutory limitation does not apply. With this understanding, it is ActMod’s opinion that the RAF for each of the 9,972 subscribers is in compliance with the California Insurance Code.

As previously noted, ActMod requested and the Reliance Actuary provided ActMod with a demonstration of the stability of the RAF factors between the Experience Period and the most current available data month (i.e. October 2010). The demonstration involved the RAF evaluation for all of Anthem’s Small Group products since the RAF factor is established at the Group level and each Subscriber within the Group can elect a Solution or Non-Solution benefit plan. For further discussion, please refer to Section IV. D. (7).

Based on our detailed review of the Rate Filing development methodologies and assumptions, and a review of the above expected Medical Loss Ratios, it is ActMod’s opinion that the Rate Filing is actuarially sound and the assumptions reasonable. Accordingly, we believe that the recommended rate changes are reasonable and the benefits provided are reasonable in relation to the recommended rates.

VI. COMPLIANCE WITH SB 1163 DRAFT GUIDANCE

The specific requirements of the SB 1163 Draft Guidance are included below in **Bold Type** in whole or in summary form for the reader's convenience and for reference purposes. The complete copy of the SB 1163 Draft Guidance is included as Attachment 11. ActMod's response regarding compliance is noted immediately below each provision:

Section A: Unreasonable Rate Increases:

1) The relationship of the projected medical loss ratio to the federal medical loss ratio standard in the market segment to which the rate applies, after accounting for any adjustments allowable under federal law.

For the demonstration of compliance with the federal medical loss ratio standard, ActMod relied on the 2011 financial forecast provided by the Reliance Actuary that is included in this Report as Attachments 7(b) and 7(c). Financial forecasts that produce such information generally require a multitude of assumptions. For example, group and subscriber lapse rates, new business enrollment, premium rate changes, premiums earned versus premiums charged, benefit plan changes, and the underwriting dynamics impacting benefit plan selection and the relationship between the rating characteristics reflected in premium rates versus the actual member-specific health risk characteristics for persisting versus cancelled membership must all be considered. Each of these assumptions must be considered for the major product lines or market segments for which the forecast is being prepared.

Month-by-month projections are also materially impacted by seasonality, which is largely driven by benefit plan cost-sharing provisions. While higher deductibles decrease an insurance company's liability for Medical Costs in the aggregate, the month-to-month Medical Costs for an insurance company, in general, increases as a calendar year progresses. That is, towards the end of a calendar year it is more likely that a Member will have satisfied his or her deductible and the liability for the insurance company will represent a greater portion of Medical Costs incurred. This monthly seasonality is reflected in the attached forecast for calendar year 2011.

Attachments 7(b) and 7(c) show Anthem's month-by-month projections for all its CDI-regulated separately for (i) all Small Group benefit plans other than *CaliforniaChoice*, a unique program offering discussed in a separate rate filing, (ii) *CaliforniaChoice*, and (iii) all Small Group benefit plans including *CaliforniaChoice*.

The premiums shown for the *CaliforniaChoice* program are the premiums actually received and earned by Anthem, excluding the administrative fees retained by the *CaliforniaChoice* program administrator.

ActMod conducted a thorough review of the Rate Development Process for the Solution benefit plans as discussed in this Report. ActMod is in the process of conducting a similar review of the Rate Development Process for the benefit plans offered by Anthem through the *CaliforniaChoice* program, which will be discussed in a separate report. For the aggregated analysis and assumption-setting for all the Small Group benefit plans that comprise the forecast shown in Attachments 7(b) and 7(c), ActMod relied on the Reliance Actuary and reviewed the composite results for reasonableness.

ActMod prepared Attachment 7(a) to review the reasonableness of the information we were provided that are shown in Attachments 7(b) and 7(c). We note from Attachment 7(a) that the average members covered are projected to increase by 9.8% from CY 2010 to CY 2011, which we believe is reasonable based on discussions with Anthem regarding their Small Group marketing expectations. We also note that Premium PMPMs and Medical Cost PMPMs are expected to increase 9.1% and 8.4%, respectively from CY 2010 to CY 2011. Both the absolute levels of these changes and the relationship of the increase in Premium PMPMs and Medical Cost PMPMs are reasonable. For example, while the Medical Costs are projected to increase at a rate less than Medical Trends, this is expected since Small Groups have been generally decreasing the richness of their benefit plan offerings in an effort to control medical premium expenditures.

Since Premium PMPMs are projected to increase at a slightly higher rate than Medical Cost PMPMs, the Traditional MLR is projected to decrease modestly from 76.9% to 76.4% from CY 2010 to CY 2011.

Attachment 7(a) also summarizes the adjustments necessary to convert the Traditional MLR for calendar year 2011 to an ACA-adjusted MLR. It is ActMod's opinion that the ACA adjustments for each Medical Costs and Revenue that were provided by the Reliance Actuary are reasonable. The projected ACA-adjusted MLR shown of 80.7% demonstrates compliance with the minimum medical loss ratio standard of 80% as promulgated by the ACA.

2) Whether the assumptions on which the rate increase is based are supported by substantial evidence.

As noted throughout this Report, it is the opinion of both ActMod and James P. Galasso that Anthem's Rate Filing assumptions are reasonable and supported by substantial and documented evidence. ActMod notes that "substantial" is a subjective non-actuarial term. But for the purposes of this Rate Filing review, ActMod defines substantial as the methodologies and applications of the methodologies as sufficient to reach the actuarial judgments presented throughout this report – including our opinion of the reasonableness of the proposed rate changes. In addition to the methodologies themselves, we also include in the definition of substantial our belief that the data relied upon for the application of the methodologies was credible and adequate for the task. This definition is consistent with the review of this Rate Filing that was performed by ActMod.

3) Whether the choice of assumptions or combination of assumptions on which the rate increase is based is reasonable.

As noted throughout this Report, it is the opinion of both ActMod and James P. Galasso that Anthem's methodology and choice of Rate Filing assumptions are reasonable. ActMod notes that while "reasonable" is a subjective term, actuaries often review rate filings and apply "actuarial judgment" to develop opinions regarding the reasonableness of benefits in relation to premiums charged. For the purpose of this Rate Filing, ActMod defines reasonable as having sufficient, credible, and relevant data such that an experienced actuary could review the available information and make an informed judgment by applying actuarial standards to determine the reasonableness of each relevant assumption used in the preparation of the Rate Filing. This definition is consistent with the review of this Rate Filing that was performed by ActMod.

4) Whether the data or documentation provided to the Department in connection with the filed rate increase is incomplete, inadequate or otherwise does not provide a basis upon which the reasonableness of the rate may be determined.

It is ActMod's belief that the information that Anthem, in conjunction with this detailed Report, has provided the CDI for the Rate filing is adequate, complete, and a reasonable basis for the CDI's review of the Rate Filing. In addition to the rate tables Anthem filed with the CDI, Anthem prepared and provided ActMod Attachment 12, an Actuarial Memorandum prepared by the Reliance Actuary that provides further support for the Rate Filing.

Accordingly, it is the opinion of both ActMod and James P. Galasso that the data or documentation provided to the CDI in connection with the filed rate increases is sufficient and adequate for the CDI to determine the reasonableness of the requested rate changes.

5) Whether the filed rates result in premium differences between insureds within similar risk categories that:

a) Are otherwise not permissible under applicable California law; or

In the opinion of both ActMod and James P. Galasso, the Rate Filing has no rates or rating classifications between insureds that are not permissible under applicable California law.

b) Do not reasonably correspond to differences in expected costs.

Certain aspects regarding cost differentials, such as geographic area factors and age factors, were not reviewed by ActMod for other than reasonableness. We did review the methodologies that used such factors and, in our opinion, both the methodologies and the application of the methodologies are actuarially sound.

For such factors that were only reviewed for reasonableness and consistent with Actuarial Standards of Practice, we relied on the Reliance Actuary identified in Attachment 2. Such reliance is typical and, we believe, universal when an external and independent actuary is asked to assist a company with complex actuarial issues – especially actuarial issues requiring the detailed review of a company's own data.

Based on the above, it is the opinion of both ActMod and James P. Galasso that the premiums and rate changes in the Rate Filing do reasonably correspond to differences in expected costs.

6) Whether the specific, itemized changes that led to the requested rate increase are substantially justified by credible experience data.

We reviewed the itemized changes (e.g. membership, premium, and claims information) in great detail and believe they are all justified by credible experience. As noted in this Report, when experience data solely attributable to the benefit plans impacted was supplemented with other data (e.g. the pooling of claims in excess of \$100,000), we believe that Anthem used appropriate substitute or supplemental data and made the appropriate adjustments to that data.

Accordingly, it is the opinion of both ActMod and James P. Galasso that the requested rate changes are substantially justified by credible experience data.

7) The company's rate of return, evaluated on a return-on-equity basis, for the prior three years, and anticipated rate of return for the following year, taking into account investment income.

In response to this request, Anthem provided ActMod what is included in this Report as Attachment 8. This is not something that ActMod, nor do we believe other external actuarial consultants, would typically review in the context of a single Rate Filing. The information is attached per the SB 1163 Draft Guidance but we do not believe it is relevant to the review and opinions expressed in this Report.

Therefore neither ActMod nor James P. Galasso identified anything in the Rate Filing that would cause us to consider the Rate Filing to be unreasonable due to the company's rate of return.

8) The insurer's employee and executive compensation.

In response to this request, Anthem provided ActMod what is included in this Report as Attachments 9(a) and 9(b). These Attachments consist of blank exhibits that show the compensation information included each year in Anthem's Statutory Statements annual filings. Of course, actual compensation information would accompany the Statutory Statement filings.

Other than noting that the administrative expenses shown in the Rate Filing include employee and executive compensation, ActMod did not consider nor do we understand how an actuary would consider this type of information in determining the reasonableness of a rate filing. Therefore neither ActMod nor James P. Galasso identified anything in the Rate Filing that would cause us to consider the Rate Filing to be unreasonable due to employee and executive compensation.

9) The degree to which the increase exceeds the rate of medical cost inflation as reported by the U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers Medical Care Cost Inflation Index.

In response to this request, Anthem provided ActMod with the Table shown in Attachment 10. As previously noted the preparer of this Report, James P. Galasso, has over 30 years' experience involving health care pricing and related actuarial issues. During this time it has always been evident to Mr. Galasso and, we believe, the actuarial community in general that the Medical Care component of the Consumer Price Index materially understates medical trend in general and the medical cost drivers of health care premiums in particular.

Accordingly, ActMod added the "boxed" area to the right of the table in Attachment 10. The text in the boxed area is an excerpt from the Bureau of Labor Statistics website that explains some of the components of the Medical Care CPI. ActMod highlighted the last sentence that we believe is particularly relevant. Specifically, it notes that the Medical Care component of the CPI "... only includes consumers' out-of-pocket expenditures (and excludes employer provided health care). . . ." The Medical Care component of the CPI also excludes government expenditures (e.g. Medicare and Medicaid payments) from the Medical Care component of the CPI.

With government alone accounting for approximately 50% of total health care spending in the United States and employers paying the preponderance of the remaining 50%, we seriously question the use of the Medical Care component of the CPI as an indicator against which rate increases for health insurance premiums should be compared.

We make the observation in support of our belief that the Medical Care component of the CPI is an arbitrary, artificial, and erroneous indicator with respect to the drivers of health insurance premiums. We would also note and as described elsewhere in this Report that the Medical Trends for Small Group health insurance are subject to forces well in excess of what Anthem describes as the "Trend Starting Point" (e.g. Adverse Selection, Underwriting Wear-Off, and Medical Trend Leverage).

Nevertheless and in compliance with the SB 1163 Draft Guidance, we provide the following information:

As noted in Attachment 10, the Medical Care component of the CPI for 2010 is shown as 3.4%. The “Trend Starting Points” used in the Rate Filing was 13.55% and 13.02% for Medical Costs (exclusive of Rx) and Rx, respectively for each benefit plan impacted by the Rate Filing. As previously noted in this Report, the Medical Trend differences by benefit plan are solely attributable to Medical and Rx Leveraging. Attachment 4 presents a summary of the actual Medical and Rx Trends used by the Rate Filing.

In the opinion of both ActMod and James P. Galasso, it is not unusual or unreasonable for rate changes for Small Group health care plans to exceed the Medical Care component of the CPI to the same extent as that noted above for the Rate Filing. Accordingly, it is also our opinion that the differential between the Medical Care component of the CPI and the Rate Filing proposed rate changes should **not** cause the Rate Filing to be deemed “unreasonable”.

- 10) For individual policies, whether the proposed rates comply with California Code of Regulations Title 10, section 2222.12 (the “California Code”).** *ActMod note: The California Code defines and requires that the Lifetime Anticipated Loss Ratio (the “Lifetime MLR”) and “the anticipated loss ratio over the future period for which the revised rates are computed to provide coverage” (the “Future MLR”) must each be not less than 70.0%. The recent revision to the California Code also requires that proposed rates comply with ACA-defined minimum MLR requirements.*

Since this provision specifically applies to “individual policies”, it is not relevant to this Rate Filing, which impacts only Small Groups.

Section C: Actuarial Certification

- 14) (A) The Actuarial Certification is considered:**

(1) A “Statement of Actuarial Opinion”

Both ActMod and James P. Galasso understand that this Report is deemed to be a Statement of Actuarial Opinion and we have prepared the Report, to the best of our ability, to comply with our professional obligations in this regard.

(2) A “Health Filing”, as defined in Actuarial Standard of Practice (“ASOP”) No.8

Both ActMod and James P. Galasso understand that the Rate Filing subject to review by this Report is considered a Health Filing and, as such, is subject to the actuarial standards described in ASOP No. 8.

(3) An “Actuarial Communication”, as defined by ASOP No. 41

Both ActMod and James P. Galasso understand that this Report is deemed to be an “Actuarial Communication” and we have prepared the Report, to the best of our ability, to comply with our professional obligations in this regard.

- (B) The Actuarial Certification must include:**

- (1) A statement (i) describing the actuary’s qualifications, (ii) that the actuary meets the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, and (iii) that the actuary meets California’s legal requirements for independence.**

As stated in Section I of this Report, Mr. Galasso meets the Qualification Standards for *Actuaries Issuing Statements of Actuarial Opinion in the United States* to issue the opinions contained herein. Mr. Galasso also meets the independence requirements stated in the California Insurance Code section 10181.6 (b)(3).

- (2) A statement of opinion that the proposed premium rates in the filing are actuarially sound in aggregate. Premium rates are actuarially sound if, for business in California and for the period covered by the certification, the total of projected premium income, expected reinsurance cash flows, governmental risk adjustment cash flows, and investment income is adequate to provide for all expected costs, including health benefits, health benefit settlement expenses, marketing and administrative expenses, and the cost of required capital.**

Both ActMod and James P. Galasso can affirmatively state that, in our opinion, the proposed premium rates are actuarially sound for the business in California and for the period covered by the certification (i.e. the Rating Period). We reviewed the projected premium income, any expected reinsurance cash flows (there were none), and any governmental risk adjustment cash flows (there were none).

As noted in Section I, the projection period assumed the proposed rates would be effective for Small Groups enrolling or renewing during the months of July 2011, August 2011, and September 2011.

We did not review, however, investment income as regards the benefit plans impacted by the Rate Filing. In our opinion, investment income for short term medical care policies is typically not explicitly considered during the rate development process. The reason is that, unlike for longer term product offerings such as disability income policies or long term care insurance, investment income is not a significant part of the income stream for short term medical care policies.

With respect to expected costs, we conducted a detailed review of expected Medical Costs, but we did not conduct a detailed review of underlying administrative expenses such as marketing and administrative expenses nor did we review the cost of required capital. For all but the “cost of required capital”, ActMod reviewed the non-Medical Cost information provided for reasonableness and considered the values provided by the Reliance Actuary as reasonable. For the “cost of required capital”, ActMod states our belief that it not typical for Small Group rate filings to explicitly include a factor for the “cost of required capital”. Rather, it is far more common for a company to prepare a rate filing with an MLR it believes is acceptable and that provides for an implicit or explicit profit margin sufficient to cover the “cost of required capital” when considered in the context of an entire company’s financial performance goals and objectives.

This MLR rate filing approach merely requires the establishment of expected Medical Loss Ratios that are in compliance with all relevant laws and regulations and are deemed satisfactory to the company. In this case, Anthem has assured ActMod that it is comfortable with the chosen expected Medical Loss Ratios and ActMod verified, to the best of its ability, that the ultimate expected Medical Loss Ratios complied with all appropriate laws and regulations. We also reviewed the Medical Loss Ratios with respect to our understanding of industry norms for Small Groups and, in our opinion, the expected Medical Loss Ratios in this Rate Filing are reasonable in the context of such industry norms.

With the above understanding, ActMod and James P. Galasso can both affirmatively state that, in our opinion, the proposed premium rates are actuarially sound for the business in California and for the period covered by the certification (i.e. the Rating Period).

- (3) For each contract or insurance policy included in the filing, a complete description of the data, assumptions, rating factors, and methods used to determine the premium rates, with sufficient clarity and detail that another qualified health actuary can make an objective appraisal of the reasonableness of the data, assumptions, factors, and**

methods. The descriptions must include examples of rate calculations for each contract or policy form included in the filing.

We hope that the time and effort expended by ActMod and James P. Galasso in the preparation of this Report is evident to the reader. We believe that we have covered the Rate Development process and a description of the data, assumptions, factors, and methods that would enable a qualified health actuary to make an objective appraisal of our opinions and the reasonableness of the premiums and rate changes recommended in the Rate Filing.

Given the acknowledged complexity of the Rate Filing preparation process, we are also agreeable to responding to any questions or concerns that may require clarification.

We trust that Attachment 5 (the Rate Development Process) and the corresponding detailed explanations in Section IV. D. satisfies the requirement that “descriptions must include examples of rate calculations for each contract or policy form included in the filing”.

- (4) A statement of opinion, with respect to each individual or small group rate increase included in the filing, whether the rate increase filed is reasonable or unreasonable and, if unreasonable, that the justification for the increase is based on accurate and sound actuarial assumptions and methodologies, including benefit relativities that reflect the expected variations in cost, taking into consideration historical experience and the credibility of the historical data. Statements of opinion regarding whether a rate increase is reasonable or unreasonable shall discuss the factors listed in Section A, “Unreasonable Rate Increases,” of this Guidance. In addition, statements of opinion regarding individual health insurance shall discuss whether the benefits provided under the policy are reasonable in relation to the premium charged, as described in the California Code.**

Based on the information discussed in Section A above, it is the opinion of both ActMod and James P. Galasso that each of the rate increases in the Rate Filing is reasonable.

- (5) A description of the testing performed by the actuary to arrive at the statements of opinion in paragraphs (B)(2) and (B)(4) above, including any independent rating models and rating factors utilized.**

Our review consisted almost entirely of a thorough review of the detailed information and data files provided to us by Anthem. The areas for which we conducted independent tests were the following:

- (i) **Large Claims Considerations** – As noted in this Report, for the Medical Trend analysis, Anthem removed the portion of Member-specific Allowed Claims that exceeded \$250,000. ActMod tested the impact of retaining these excess claims to determine the impact on Anthem’s Medical Trend estimate. Had Anthem not removed these excess claim amounts, the Medical Trend Starting Point would have been 16.7% versus Anthem’s assumed 13.6%. Both ActMod and James P. Galasso believe that Anthem’s Medical Trend assumption is reasonable and actuarially sound. But we also believe that a justifiable Medical Trend assumption would have been something between the assumed amount of 13.6% and ActMod’s tested amount of 16.7%.

- (ii) **Stability of Risk Adjustment Factors** – As noted in this Report, ActMod requested that Anthem provide us with month-by-month statistics showing the Risk Adjustment Factor (“RAF”) for the twelve month period ending October 2010. The information provided to ActMod by the Reliance Actuary satisfied both ActMod and James P. Galasso that there are no material fluctuations in the RAF that might require adjustments to one or more factors used by Anthem for the Rate Development process.
- (iii) **Reasonableness of MLR Compliance with ACA** – ActMod prepared Attachment 7(a) from the more detailed Anthem-provided information to compare Anthem’s calendar year 2011 projection for all CDI-regulated Small Group products against actual calendar year 2010 results. We prepared this Attachment 7(a) to review the reasonableness of Anthem’s projected 2011 ACA-defined MLR of 80.7% shown in Attachment 7(c). It is the opinion of both ActMod and James P. Galasso that Attachment 7(a) [in conjunction with the details presented in Attachments 7(b) and 7(c)] demonstrates the reasonableness of Anthem’s projected 2011 ACA-defined MLR.

ActMod thanks Anthem for the opportunity to prepare this Report and would be pleased to respond to any questions or supplement the Report as may be deemed necessary.

Respectfully submitted,



James P. Galasso, FSA, MAAA, CERA
President & Consulting Actuary
Actuarial Modeling

Attachments

James P. Galasso, FSA, MAAA, CERA
President & Consulting Actuary
Actuarial Modeling

333 Sandy Springs Circle
Suite 101
Atlanta, Georgia 30328

Email: jgalasso@actuarialmodeling.com
Office: (404) 531-0379

Jim Galasso is a Fellow in the Society of Actuaries, a Member of the American Academy of Actuaries, and a Chartered Enterprise Risk Analyst. He has over 30 years experience in health care, serving in the capacity of Chief Financial Officer, Chief Actuary, and as an Actuarial Consultant. Prior to incorporating and serving as the President & Actuarial Consultant for Actuarial Modeling, Mr. Galasso served as a Partner with Ernst & Young LLP, managing E&Y's Southeast actuarial healthcare practice.

Mr. Galasso has performed various actuarial services for numerous Commercial Insurance Carriers, Blue Cross Blue Shield Plans, Health Maintenance Organizations, Governmental Entities, Health Care Providers, and Large Employers. Such services include but are not limited to:

- (1) Actuarial & Financial Due Diligence
- (2) Actuarial Reserve Reviews (including IBNR and Premium Deficiency Reserves)
- (3) Actuarial Valuations
- (4) Group Health Employee Benefit Programs
- (5) Pricing Medical Care Benefit Plans
- (6) Reviewing Prescription Drug Programs [including Pharmacy Benefit Managers (PBM)]
- (7) Risk-Based Capital Reviews
- (8) Health plan organization realignments
- (9) Predictive Risk Modeling / Health Risk Adjusters
- (10) Underwriting policy and procedure reviews
- (11) Rate filing preparations and testimony
- (12) Provider contracting and network management
- (13) Risk assessments for Provider Sponsored Organizations
- (14) Merger and Acquisition engagements
- (15) Medicare Supplement Products
- (16) Medicare and Medicaid managed care programs
- (17) Blue Cross and Blue Shield audits and actuarial consulting
- (18) HMO and PSO audits and actuarial consulting
- (19) Behavioral health audits and actuarial consulting
- (20) Expert Witness Testimony
- (21) Serving on Arbitration Panels

Professional Experience

Mr. Galasso has developed a comprehensive package of actuarial and financial reporting tools consisting of, but not limited to, the following:

- (1) An “Incurred But Not Reported” (IBNR) estimation software model
- (2) A medical cost & premium development software model for healthcare companies
- (3) An aggregate and specific stop loss rating software model
- (4) A MediGap pricing software model that accommodates both 1990 and 2010 standard plans
- (5) A large group underwriting software model
- (6) A physician fee evaluation software model
- (7) A hospital reimbursement evaluation software model
- (8) A prescription drug evaluation software model
- (9) A financial projection software model for healthcare companies
- (10) A market segment reporting and trend monitoring software model
- (11) A capital management and risk-based capital analysis software model
- (12) A process for monitoring, pricing, and underwriting groups and group rating parameters

Qualifications

Mr. Galasso maintains his standing as a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and a Chartered Enterprise Risk Analyst by pursuing continuing education credits, frequently speaking at various actuarial conferences, publishing actuarial papers, and developing / presenting to actuaries various actuarial training courses for continuing education credit. Papers written by Mr. Galasso and offered to the actuarial community include:

- (1) Financial Reporting for Health Care Companies
- (2) Incurred But Not Paid (“Reported”) Claim Liabilities (“IBNR”) – The Basics
- (3) Risk-Based Capital - the Basics
- (4) Block Underwriting for Health Care Companies

Seminars and Training

Mr. Galasso attends and/or speaks at various seminars and conferences sponsored by the Society of Actuaries, the Southeastern Actuaries Conference, and other industry conferences.

Education

Mr. Galasso graduated with honors from the State University of New York at Stony Brook with majors in both Theoretical and Applied Mathematics. His post graduate activities included studying for and successfully completing the series of examinations offered by the Society of Actuaries, culminating in Mr. Galasso's obtaining his Fellowship in the Society of Actuaries.

Actuarial Reliance Certification

I, Janet Chiu, am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the American Academy of Actuaries continuing education standards and am qualified to have prepared and/or reviewed the actuarial analysis and data that I provided to Mr. James P. Galasso for his review and certification of the Rate Filing dated March 30, 2011 and prepared by the Anthem Blue Cross Life and Health Insurance Company.

Janet Chiu, FSA, MAAA
Regional Vice President & Actuary I
WellPoint Inc.
March 31, 2011

ACA MANDATED BENEFITS

Plan	Impact of ACA Mandated Benefits
Solution 2500	3.7%
Solution 3500	4.4%
Solution 5000	5.3%
Total	4.0%

ACA Mandated Benefits

1. Eliminate Lifetime Maximums
2. Dependent Coverage to Age 26
3. Eliminate Effective Annual Maximums for:
 - (a) Durable Medical Equipment
 - (b) Mental Health & Substance Abuse
4. Elimination of \$50 Lifetime Max for Smoking Cessation programs
5. Cover Preventive Services with No Cost Sharing

MEDICAL AND RX TREND DEVELOPMENT

Plan	Medical (excluding Rx) Trend				Rx Trend				TOTAL TREND
	Deductible - Medical	Trend Starting Point	Leveraging	Medical Trend (excluding Rx)	Deductible - Rx	Trend Starting Point	Leveraging	Rx Trend	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Solution 2500	2,500	13.55%	2.27%	16.10%	250	13.02%	4.58%	18.20%	16.50%
Solution 3500	3,500	13.55%	2.65%	16.60%	250	13.02%	4.58%	18.20%	16.90%
Solution 5000	5,000	13.55%	3.22%	17.20%	250	13.02%	4.58%	18.20%	17.40%
Total		13.55%	2.46%	16.33%		13.02%	4.58%	18.20%	16.69%

Anthem Blue Cross of California
Solution PPO Benefit Plans
Experience Period: 11/1/2009 - 10/31/2010
Rating Period: Renewal Months July, August, and September 2011

Rate Development Steps		Total Solution	Solution 2500	Solution 3500	Solution 5000
Step	Description				
	EXPERIENCE PERIOD (11/1/2009 - 10/31/2010)				
(1)	Incurred Claims	\$23,074,364	\$13,899,779	\$6,387,898	\$2,786,688
(1)(a)	⁽¹⁾ Pooled Claims	\$2,713,681	\$1,232,918	\$783,902	\$696,861
(1)(b)	⁽²⁾ Incurred Claim w/ Pool Charge	\$23,213,933	\$14,441,935	\$6,389,313	\$2,382,685
(2)	Premium Earned	\$31,104,997	\$19,099,970	\$8,290,248	\$3,714,779
(3)	Loss Ratio (Excl Rx Rebates & Med Mgmt Exp)	74.2%	72.8%	77.1%	75.0%
(4)	Member Months	124,081	74,258	33,926	15,897
(5)	⁽³⁾ Incurred Claim PMPM (w/ Pool Charge)	\$187.47	\$194.48	\$188.33	\$149.88
(6)	⁽³⁾ Premium PMPM	\$250.93	\$257.21	\$244.36	\$233.68
(7)	⁽³⁾ Current Premium PMPMs for 10/2010 Subscribers	\$297.31	\$302.92	\$291.22	\$282.42
	TREND ADJUSTMENT				
(8)	⁽³⁾ Trend Months	19.94	19.94	19.94	19.94
(9)	Annual Medical Trend Factor	16.7%	16.5%	16.9%	17.4%
	RATING PERIOD				
(10)	⁽³⁾ Projected Incurred Claim PMPM (Preliminary)	\$242.30	\$250.66	\$244.12	\$195.67
(10)(a)	Benefit Adjustments	4.0%	3.7%	4.4%	5.3%
(10)(b)	Rx Rebates	(\$2.67)	(\$2.67)	(\$2.67)	(\$2.67)
(10)(c)	Medical Management Expenses	\$3.38	\$3.38	\$3.38	\$3.38
(10)(d)	⁽³⁾ Projected Incurred Claim PMPM (Final) ⁽³⁾	\$252.79	\$260.65	\$255.53	\$206.71
(11)	Member Months (12/10 for most recent)	100.0%	61.1%	26.9%	12.0%
	RETENTION (RATING PERIOD)				
(12)	⁽³⁾ Selling Expenses (8.8% of Premium)	\$27.74	\$28.52	\$26.91	\$25.60
(13)	⁽³⁾ Admin Expenses PMPM	\$15.58	\$15.58	\$15.58	\$15.58
(14)	⁽³⁾ Premium Taxes (2.35% of Premium)	\$7.41	\$7.62	\$7.19	\$6.84
(15)	Operating Gain (Loss) PMPM	\$11.68	\$11.75	\$0.58	\$36.17
(16)	⁽³⁾ Federal Income Tax; 32.0% of Op Gain (Loss)	\$3.74	\$3.76	\$0.19	\$11.57
	RATE DEVELOPMENT				
(17)	Recommended Premium Increase	6.0%	7.0%	5.0%	3.0%
(18)	⁽³⁾ Recommended Premium PMPM	\$315.20	\$324.12	\$305.78	\$290.89
	RATING PERIOD MLR's				
(19)	GAAP-defined MLR	80.2%	80.4%	83.6%	71.1%
(20)	ACA-defined MLR	83.1%	83.3%	85.6%	75.9%

⁽¹⁾ Pooled Claims equal the total amount of that portion of individual claims in excess of \$100,000

⁽²⁾ Pooling charge of 14.01% based on all Small Group PPO products (not just Solution); Pool limit equals \$100k per claim

⁽³⁾ "Totals" weighted by "most recent" Member Months distribution in Step (11)

Age/Gender Factor Stability			
<u>Month</u>	<u>Member Months</u>	<u>Age/Gender Factor</u>	
		<u>Medical</u>	<u>Rx</u>
Nov-09	7,792	1.1619	1.1739
Dec-09	7,775	1.1637	1.1764
Jan-10	7,789	1.1643	1.1779
Feb-10	7,749	1.1689	1.1836
Mar-10	7,747	1.1705	1.1846
Apr-10	7,878	1.1726	1.1885
May-10	7,837	1.1780	1.1959
Jun-10	7,827	1.1791	1.1963
Jul-10	11,684	1.1701	1.1854
Aug-10	14,518	1.1676	1.1825
Sep-10	17,430	1.1663	1.1796
Oct-10	17,598	1.1666	1.1820
Exper Period Mbr Wt'd Avg		1.1687	1.1834
Oct-10 Factor		1.1666	1.1820
% Change in Factor		(0.18%)	(0.12%)

SUMMARY TEST OF REASONABLENESS FOR CY 2011 FORECAST
(ALL CDI-REGULATED SMALL GROUP; INCLUDING CALCHOICE)

COMPARISON OF 2011 FORECAST TO 2010 ACTUAL

	<u>CY 2010</u>	<u>CY 2011</u>	Variance from <u>CY 2010</u>
Average Members	326,033	358,090	9.8%
Premium PMPM	\$300.76	\$328.21	9.1%
Medical Cost PMPM ⁽¹⁾	\$231.30	\$250.69	8.4%
Traditional MLR ⁽²⁾	76.9%	76.4%	(0.7%)

ACA-ADJUSTED FIGURES

	<u>CY 2011</u>
<u>Medical Cost Adjustments</u>	
Rx Rebate PMPM	(\$2.12)
Med Mgmt Reclass Expenses PMPM	\$3.37
ACA-Adjusted Medical Cost PMPM⁽³⁾	\$251.94
<u>Revenue Adjustments</u>	
Premium Tax PMPM	\$7.71
State/Local/Federal Income Tax PMPM	\$8.14
ACA-Adjusted Revenue PMPM⁽⁴⁾	\$312.36
ACA-defined MLR⁽⁵⁾	80.7%

⁽¹⁾ Excludes Rx Rebates and Medical Management Reclassified Expenses

⁽²⁾ Medical Cost divided by Premium

⁽³⁾ Medical Cost PMPM + Rx Rebate PMPM + Med Mgmt Reclass Expenses PMPM

⁽⁴⁾ Premium PMPM - Premium Tax PMPM - State/Local/Federal Income Tax PMPM

(Note: Payroll taxes should also be removed from Revenue but were not for this analysis; this results in a lower ACA-defined MLR than would be the case if payroll taxes were properly reflected)

⁽⁵⁾ ACA-Adjusted Medical Cost PMPM / ACA-Adjusted Revenue PMPM

SMALL GROUP CY2011 FORECAST

Attachment 7(b)

<i>Non-CalChoice CDI</i>	<u>2010 Total</u>	<u>1/1/2011</u>	<u>2/1/2011</u>	<u>3/1/2011</u>	<u>4/1/2011</u>	<u>5/1/2011</u>	<u>6/1/2011</u>
Membership	3,871,588	344,812	348,326	350,235	349,904	354,943	359,081
Premium PMPM	\$299.80	\$311.37	\$314.17	\$317.50	\$323.52	\$325.73	\$329.47
Claim PMPM (Excluding Rx Rebates and Med Mgmt Reclass)	\$230.20	\$174.64	\$186.75	\$229.04	\$220.94	\$233.31	\$249.83
Rx Rebate PMPM		(\$2.10)	(\$2.11)	(\$2.11)	(\$2.12)	(\$2.13)	(\$2.13)
Medical Mgmt PMPM		\$3.38	\$3.38	\$3.38	\$3.38	\$3.38	\$3.38
Total Benefit Expense PMPM		\$175.92	\$188.02	\$230.30	\$222.20	\$234.57	\$251.07
Premium Tax % of Premium		2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Premium Tax PMPM		\$7.32	\$7.38	\$7.46	\$7.60	\$7.65	\$7.74
State, Local, and Federal Income Tax PMPM		\$27.25	\$24.17	\$11.59	\$15.89	\$12.56	\$8.35
ACA-define MLR		63.6%	66.5%	77.2%	74.1%	76.8%	80.1%
Trad'l MLR (excl Rx Rebates & Med Mgmt Reclass)	76.8%	56.1%	59.4%	72.1%	68.3%	71.6%	75.8%
<hr/>							
<i>CalChoice CDI</i>	<u>2010 Total</u>	<u>1/1/2011</u>	<u>2/1/2011</u>	<u>3/1/2011</u>	<u>4/1/2011</u>	<u>5/1/2011</u>	<u>6/1/2011</u>
Membership	40,805	12,162	12,825	13,323	14,139	15,160	14,581
Premium PMPM	\$392.31	\$397.84	\$397.09	\$398.81	\$401.35	\$404.15	\$410.60
Claim PMPM (Excluding Rx Rebates and Med Mgmt Reclass)	\$335.11	\$258.74	\$280.96	\$348.69	\$336.62	\$359.08	\$387.45
Rx Rebate PMPM		(\$2.25)	(\$2.25)	(\$2.25)	(\$2.25)	(\$2.25)	(\$2.25)
Medical Mgmt PMPM		\$3.23	\$3.23	\$3.23	\$3.23	\$3.23	\$3.23
Total Benefit Expense PMPM		\$259.72	\$281.94	\$349.67	\$337.60	\$360.06	\$388.43
Premium Tax % of Premium		2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Premium Tax PMPM		\$9.35	\$9.33	\$9.37	\$9.43	\$9.50	\$9.65
State, Local, and Federal Income Tax PMPM		\$36.21	\$28.87	\$7.73	\$12.39	\$6.08	(\$0.98)
ACA-define MLR		73.7%	78.6%	91.6%	89.0%	92.7%	96.6%
Trad'l MLR (excl Rx Rebates & Med Mgmt Reclass)	85.4%	65.0%	70.8%	87.4%	83.9%	88.8%	94.4%
<hr/>							
<i>CDI Including CalChoice</i>	<u>2010 Total</u>	<u>1/1/2011</u>	<u>2/1/2011</u>	<u>3/1/2011</u>	<u>4/1/2011</u>	<u>5/1/2011</u>	<u>6/1/2011</u>
Membership	3,912,393	356,974	361,151	363,558	364,043	370,103	373,662
Premium PMPM	\$300.76	\$314.32	\$317.12	\$320.48	\$326.55	\$328.94	\$332.64
Claim PMPM (Excluding Rx Rebates and Med Mgmt Reclass)	\$231.30	\$177.50	\$190.09	\$233.42	\$225.43	\$238.47	\$255.20
Rx Rebate PMPM		(\$2.11)	(\$2.11)	(\$2.12)	(\$2.12)	(\$2.13)	(\$2.14)
Medical Mgmt PMPM		\$3.37	\$3.37	\$3.37	\$3.37	\$3.37	\$3.37
Total Benefit Expense PMPM		\$178.77	\$191.36	\$234.68	\$226.68	\$239.71	\$256.43
Premium Tax % of Premium		2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Premium Tax PMPM		\$7.39	\$7.45	\$7.53	\$7.67	\$7.73	\$7.82
State, Local, and Federal Income Tax PMPM		\$27.56	\$24.34	\$11.45	\$15.76	\$12.30	\$7.98
ACA-define MLR		64.0%	67.1%	77.8%	74.8%	77.6%	80.9%
Trad'l MLR (excl Rx Rebates & Med Mgmt Reclass)	76.9%	56.5%	59.9%	72.8%	69.0%	72.5%	76.7%

SMALL GROUP CY2011 FORECAST

<i>Non-CalChoice CDI</i>	<u>7/1/2011</u>	<u>8/1/2011</u>	<u>9/1/2011</u>	<u>10/1/2011</u>	<u>11/1/2011</u>	<u>12/1/2011</u>	<u>Total</u>
Membership	352,310	347,193	341,714	335,088	329,568	324,978	4,138,152
Premium PMPM	\$329.84	\$329.93	\$330.47	\$330.28	\$329.99	\$329.61	\$325.11
Claim PMPM (Excluding Rx Rebates and Med Mgmt Reclass)	\$262.18	\$263.46	\$266.46	\$271.90	\$286.50	\$307.96	\$245.48
Rx Rebate PMPM	(\$2.13)	(\$2.12)	(\$2.12)	(\$2.11)	(\$2.10)	(\$2.10)	(\$2.11)
Medical Mgmt PMPM	\$3.38	\$3.38	\$3.38	\$3.38	\$3.38	\$3.38	\$3.38
Total Benefit Expense PMPM	\$263.43	\$264.72	\$267.72	\$273.17	\$287.78	\$309.24	\$246.74
Premium Tax % of Premium	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Premium Tax PMPM	\$7.75	\$7.75	\$7.77	\$7.76	\$7.75	\$7.75	\$7.64
State, Local, and Federal Income Tax PMPM	\$4.50	\$4.11	\$3.30	\$1.51	(\$3.25)	(\$10.23)	\$8.49
ACA-define MLR	82.9%	83.2%	83.8%	85.1%	88.4%	93.1%	79.9%
Trad'l MLR (excl Rx Rebates & Med Mgmt Reclass)	79.5%	79.9%	80.6%	82.3%	86.8%	93.4%	75.5%
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<i>CalChoice CDI</i>	<u>7/1/2011</u>	<u>8/1/2011</u>	<u>9/1/2011</u>	<u>10/1/2011</u>	<u>11/1/2011</u>	<u>12/1/2011</u>	<u>Total</u>
Membership	14,077	13,679	13,195	12,518	12,105	11,166	158,930
Premium PMPM	\$411.06	\$413.42	\$414.94	\$415.96	\$419.01	\$427.24	\$408.98
Claim PMPM (Excluding Rx Rebates and Med Mgmt Reclass)	\$413.84	\$415.46	\$426.55	\$443.04	\$474.00	\$514.45	\$386.42
Rx Rebate PMPM	(\$2.25)	(\$2.25)	(\$2.25)	(\$2.25)	(\$2.25)	(\$2.25)	(\$2.25)
Medical Mgmt PMPM	\$3.23	\$3.23	\$3.23	\$3.23	\$3.23	\$3.23	\$3.23
Total Benefit Expense PMPM	\$414.82	\$416.44	\$427.53	\$444.02	\$474.98	\$515.43	\$387.40
Premium Tax % of Premium	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Premium Tax PMPM	\$9.66	\$9.72	\$9.75	\$9.77	\$9.85	\$10.04	\$9.61
State, Local, and Federal Income Tax PMPM	(\$9.29)	(\$9.07)	(\$12.14)	(\$17.10)	(\$26.05)	(\$36.42)	(\$1.16)
ACA-define MLR	101.0%	100.9%	102.4%	104.9%	109.1%	113.6%	96.7%
Trad'l MLR (excl Rx Rebates & Med Mgmt Reclass)	100.7%	100.5%	102.8%	106.5%	113.1%	120.4%	94.5%
<hr/>							
<i>CDI Including CalChoice</i>	<u>7/1/2011</u>	<u>8/1/2011</u>	<u>9/1/2011</u>	<u>10/1/2011</u>	<u>11/1/2011</u>	<u>12/1/2011</u>	<u>Total</u>
Membership	366,387	360,872	354,909	347,606	341,673	336,144	4,297,081
Premium PMPM	\$332.96	\$333.10	\$333.62	\$333.37	\$333.15	\$332.86	\$328.21
Claim PMPM (Excluding Rx Rebates and Med Mgmt Reclass)	\$268.01	\$269.22	\$272.41	\$278.06	\$293.14	\$314.82	\$250.69
Rx Rebate PMPM	(\$2.13)	(\$2.13)	(\$2.12)	(\$2.11)	(\$2.11)	(\$2.10)	(\$2.12)
Medical Mgmt PMPM	\$3.37	\$3.37	\$3.37	\$3.37	\$3.37	\$3.38	\$3.37
Total Benefit Expense PMPM	\$269.25	\$270.47	\$273.66	\$279.32	\$294.41	\$316.09	\$251.94
Premium Tax % of Premium	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Premium Tax PMPM	\$7.82	\$7.83	\$7.84	\$7.83	\$7.83	\$7.82	\$7.71
State, Local, and Federal Income Tax PMPM	\$3.97	\$3.61	\$2.73	\$0.84	(\$4.06)	(\$11.10)	\$8.14
ACA-define MLR	83.8%	84.1%	84.7%	86.0%	89.4%	94.0%	80.7%
Trad'l MLR (excl Rx Rebates & Med Mgmt Reclass)	80.5%	80.8%	81.7%	83.4%	88.0%	94.6%	76.4%

Anthem Blue Cross Life & Health Insurance Company
Individual Business Return on Equity

(\$ in millions)

	AS Ref	2008 Actual	2009 Actual	2010 Actual	2011 Forecast
Total Company					
Statutory Net Income	IS L32	194.5	170.5	205.9	183.5
Statutory Capital & Surplus	BS L31	760.1	813.8	973.8	1,082.9
		25.6%	21.0%	21.1%	16.9%

Notes

- 1) 2008 - 2010 Statutory amounts from indicated exhibit/schedule in Statutory annual statement.
- 2) 2011 total company statutory amounts from projections provided to CA CDI on October 20, 2010



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Anthem Blue Cross Life and Health Insurance Company

SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended December 31, 2010

(To be filed by March 1)

PART 1 - INTERROGATORIES

1. The reporting insurer is a member of a group of insurers or other holding company system: Yes ☒ No ☐ If yes, do the amounts below represent 1) total gross compensation paid to each individual by or on behalf of all companies which are part of the group: Yes ☒; or 2) allocation to each insurer: Yes ☐
2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity? Yes ☐ No ☒
3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond the period of 12 months from the date of the agreement? Yes ☐ No ☒

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION					
1 Name and Principal Position	2 Year	3 Annual Compensation			
		3 Salary	4 Bonus	5 All Other Compensation	6 Totals
Pamela D. Kehaly (1) (2)	2010				
Chief Executive Officer	2009				
.....	2008				
1. R. David Kretschmer	2010				
Treasurer	2009				
.....	2008				
2. Nicholas L. Brecker, III	2010				
President	2009				
.....	2008				
3. Kathleen S. Kiefer	2010				
Secretary	2009				
.....	2008				
4. G. Lewis Chartrand	2010				
Assistant Secretary	2009				
.....	2008				
5. Cassie S. Kam (3)	2010				
Chief Financial Officer	2009				
.....	2008				
6. (4)	2010				0
.....	2009				0
.....	2008				0
7.	2010				0
.....	2009				0
.....	2008				0
8.	2010				0
.....	2009				0
.....	2008				0
9.	2010				0
.....	2009				0
.....	2008				0

PART 3 - DIRECTOR COMPENSATION

1 Name and Principal Position or Occupation	2 Compensation Paid or Deferred for Services as Director	3 All Other Compensation Paid or Deferred	4 Totals
(5)			0
.....			
.....			

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Anthem Blue Cross Life and Health Insurance Company

The reporting insurer is a member of a group of insurers or other holding company system. The above amounts represent compensation paid to each individual by or on behalf of all companies which are part of the group. The total compensation (column 6) is the amount reported in the year-end W2 gross taxable wages.

- 1 Amounts earned in All Other Compensation (column 5) may include payouts earned under multi-year long term incentive plans, sales incentives, and the exercise of stock options granted in prior years.
- 2 Pamela D. Kehaly was hired and became Chief Executive Officer on August 30, 2010.
- 3 Cassie S. Kam became Chief Financial Officer on October, 25, 2010
- 4 There are no employees dedicated to Anthem Blue Cross Life and Health Insurance Company. Data has been reported for officers only.
- 5 Inside (i.e., employee) directors are not compensated for serving on the Board of Directors.

Unadjusted Medical Care CPI for All Urban Consumers

Source: Bureau of Labor Statistics; <http://www.bls.gov/cpi/#tables>

Rolling 12-mth Trends at End of Year

End of Year	Rolling 12-month CPI Trend
1981	10.8%
1982	11.6%
1983	8.7%
1984	6.2%
1985	6.2%
1986	7.5%
1987	6.6%
1988	6.5%
1989	7.7%
1990	9.1%
1991	8.7%
1992	7.4%
1993	6.0%
1994	4.8%
1995	4.5%
1996	3.5%
1997	2.8%
1998	3.2%
1999	3.5%
2000	4.1%
2001	4.6%
2002	4.7%
2003	4.0%
2004	4.4%
2005	4.2%
2006	4.0%
2007	4.4%
2008	3.7%
2009	3.2%
2010	3.4%

From: Bureau of Labor Statistics Website:

<http://www.bls.gov/cpi/cpifact4.htm>

For the medical care categories the CE collects information on household out-of-pocket expenses. These may include data such as healthcare services received, who received it, the amount of payment made, and insurance reimbursements received. Medical care expenditures eligible for the CPI include out-of-pocket expenses paid by the consumer. These include fees (not recouped through health insurance) that consumers paid directly to retail outlets for medical goods and to doctors and other medical providers for medical services, as well as health insurance premiums that consumers paid (including Medicare Part B). To arrive at the consumer out-of-pocket medical expense, the CE nets out direct insurance reimbursements to the consumer from the total amounts paid by the consumer.

Since medical care only includes consumers' out-of-pocket expenditures (and excludes employer provided health care), its share in the CPI is smaller than its share of gross domestic product (GDP) and other national accounts measures.

Note: CE = Consumer Expenditure Survey

DEPARTMENT OF INSURANCE**Legal Division**

45 Fremont Street, 24th Floor
San Francisco CA 94105

**Guidance 1163: 2**

Draft release date: February 3, 2011

Final release date: _____

Pursuant to Senate Bill 1163 (Chapter 661, Statutes 2010), the California Department of Insurance issues the following guidance regarding compliance.¹ Further guidance may be forthcoming in the future.

Section A: Unreasonable Rate Increases

For all health insurance filings, for the purpose of the actuarial certification required under Insurance Code section 10181.6(b)(2) and review under Insurance Code section 10181.11, as well as for the filing of large group health insurance rates under section 10181.4, the factors the Department will consider in determining whether a rate increase is “unreasonable” include, but are not limited to, the following:

- 1) The relationship of the projected aggregate medical loss ratio to the federal medical loss ratio standard in the market segment to which the rate applies, after accounting for any adjustments allowable under federal law. See interim final rule entitled “Health Insurance Issuers Implementing Medical Loss Ratio Requirements Under the Patient Protection and Affordable Care Act,” (45 C.F.R. sections 158.101- 158.232, 75 Fed. Reg. 74921-74928, (December 1, 2010)), incorporated herein by reference.
- 2) Whether the assumptions on which the rate increase is based are supported by substantial evidence.

¹ Senate Bill 1163 provides, at Insurance Code section 10181.2, that Article 4.5 (Insurance Code section 10181 *et seq.*) does not

apply to a specialized health insurance policy; a Medicare supplement policy subject to Article 6 (commencing with Section 10192.05); a health insurance policy offered in the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code); a health insurance policy offered in the Healthy Families Program (Part 6.2 (commencing with Section 12693)), the Access for Infants and Mothers Program (Part 6.3 (commencing with Section 12695)), the California Major Risk Medical Insurance Program (Part 6.5 (commencing with Section 12700)), or the Federal Temporary High Risk Pool (Part 6.6 (commencing with Section 12739.5)); a health insurance conversion policy offered pursuant to Section 12682.1; or a health insurance policy offered to a federally eligible defined individual under Chapter 9.5 (commencing with Section 10900).

Accordingly, the above guidance does not apply to the types of insurance listed in Insurance Code section 10181.2.

- 3) Whether the choice of assumptions or combination of assumptions on which the rate increase is based is reasonable.
- 4) Whether the data or documentation provided to the Department in connection with the filed rate increase is incomplete, inadequate or otherwise does not provide a basis upon which the reasonableness of the rate may be determined.
- 5) Whether the filed rates result in premium differences between insureds within similar risk categories that:
 - (A) Are otherwise not permissible under applicable California law; or
 - (B) Do not reasonably correspond to differences in expected costs.
- 6) Whether the specific, itemized changes that led to the requested rate increase are substantially justified by credible experience data.
- 7) The company's rate of return, evaluated on a return-on-equity basis, for the prior three years, and anticipated rate of return for the following year, taking into account investment income.
- 8) The insurer's employee and executive compensation.
- 9) The degree to which the increase exceeds the rate of medical cost inflation as reported by the U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers Medical Care Cost Inflation Index.
- 10) For individual policies, whether the proposed rates comply with California Code of Regulations Title 10, section 2222.12.

Section B: Filing and Notice

- 11) For individual and small group health insurance policies, rate submissions for new products and rate increases for existing products must be filed at least 60 days prior to implementation. (Insurance Code section 10181.3(a), (b)(14).)
- 12) The filing requirements of Senate Bill 1163 (Insurance Code sections 10181.3, 10181.4, 10181.6, 10181.7) apply to new product rates and rate increases implemented on or after January 1, 2011. With respect to rate filings submitted to the department prior to January 1, 2011 that include rate changes which will be implemented as to any insureds after January 1, 2011, the insurer must provide the 60-day notice described in Insurance Code section 10113.9 or 10199.1 for those changes.
- 13) The consumer notice required by Insurance Code section 10113.9 or 10199.1 must be delivered concurrently with the submission of the rate filing to the department. The notice required by section 10113.9 must include the date on which the proposed rate increase will be applied to the individual(s) to whom the notice is addressed. If a rate filing is revised after its initial submission so as to change the rates, an additional 60-day notice meeting

the requirements of Insurance Code sections 10113.9 or 10199.1 must be provided reflecting the revised rate.

Section C: Actuarial Certification

- 14) (A) The certification required under Insurance Code section 10181.6 (b)(2) is a “Statement of Actuarial Opinion,” as defined in the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, promulgated by the American Academy of Actuaries. Such a certification is also a “Health Filing,” as defined in Actuarial Standard of Practice No. 8 promulgated by the Actuarial Standards Board, and it is also an “Actuarial Communication,” as defined in Actuarial Standard of Practice No. 41 promulgated by the Actuarial Standards Board.
- (B) The certification required under Insurance Code section 10181.6 (b)(2) must include the following information:
- (1) A statement of the qualifications of the actuary issuing the certification. The actuary’s qualifications must meet the standards stated in *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*. The statement of qualifications must include a statement that the actuary meets the independence requirements stated in Insurance Code section 10181.6 (b)(3).
 - (2) A statement of opinion that the proposed premium rates in the filing are actuarially sound in aggregate. Premium rates are actuarially sound if, for business in California and for the period covered by the certification, the total of projected premium income, expected reinsurance cash flows, governmental risk adjustment cash flows, and investment income is adequate to provide for all expected costs, including health benefits, health benefit settlement expenses, marketing and administrative expenses, and the cost of required capital.
 - (3) For each contract or insurance policy included in the filing, a complete description of the data, assumptions, rating factors, and methods used to determine the premium rates, with sufficient clarity and detail that another qualified health actuary can make an objective appraisal of the reasonableness of the data, assumptions, factors, and methods. The descriptions must include examples of rate calculations for each contract or policy form included in the filing.
 - (4) A statement of opinion, with respect to each individual or small group rate increase included in the filing, whether the rate increase filed is reasonable or unreasonable and, if unreasonable, that the justification for the increase is based on accurate and sound actuarial assumptions and methodologies, including benefit relativities that reflect the expected variations in cost, taking into consideration historical experience and the credibility of the historical data. Statements of opinion regarding whether a rate increase is reasonable or unreasonable shall discuss the factors listed in Section A, “Unreasonable Rate Increases,” of this Guidance. In addition, statements of opinion regarding individual health insurance shall discuss whether the benefits

provided under the policy are reasonable in relation to the premium charged, as described in California Code of Regulations title 10, chapter 5, section 2222.10, *et seq.*

- (5) A description of the testing performed by the actuary to arrive at the statements of opinion in paragraphs (B)(2) and (B)(4) above, including any independent rating models and rating factors utilized.

(C) All of the information required in (B), above, must be contained within the actuarial certification. A separate actuarial memorandum should not be submitted.

Section D: Filing Requirements

- 15) Individual and small group health insurance rate filings must be accompanied by the “California Rate Filing Form” that discloses the information required by Insurance Code section 10181.3(b), submitted as a PDF document under the “Supporting Documentation” tab in SERFF. See “California Rate Filing Form” on the Department’s website (<http://www.insurance.ca.gov/0250-insurers/0500-legal-info/0200-regulations/HealthGuidance/index.cfm>) for definitions of certain of the items required.
- 16) All health insurance rate filings must be accompanied by the “California Plain-Language Rate Filing Description”, submitted as a PDF document under the “Supporting Documentation” tab in SERFF (Insurance Code section 10181.7(d)). See “California Plain-Language Rate Filing Description” on the Department’s website (<http://www.insurance.ca.gov/0250-insurers/0500-legal-info/0200-regulations/HealthGuidance/index.cfm>) for the form and format of the items required.
- 17) The aggregate rate filing data report required by Insurance Code section 10181.3(c) need not be submitted with each separate rate filing but must be filed with the Department at least quarterly (no later than 5 calendar days after the end of the calendar quarter). Each such report must summarize the required data for the calendar quarter, as well as for the calendar year to date. The report should be identified in SERFF by placing “Aggregate Rate Filing Date Report” in the “Filing Description” field under the “General Information” tab. A form for this report will be provided in subsequent guidance. The terms “Segment Type”, “Product Type”, and “average rate increase” will be defined as they are in the attached “California Rate Filing Form” for items 5, 4, and 13 respectively.

For questions, please contact Bruce Hinze at bruce.hinze@insurance.ca.gov.
Please submit comments regarding this draft guidance to:
guidancecomments@insurance.ca.gov.

#632223v16

Anthem Blue Cross Life and Health Insurance Company

Actuarial Memorandum

Small Group Rates effective July 1, 2011

The purpose of this filing is to communicate with the Department of Insurance the July 2011 changes to our rate tables.

Anthem reviews and files quarterly, as necessary, for its Small Group business. The quarterly increase for the benefit plans impacted by this rate filing are for the third quarter of the calendar year 2011 (i.e., new business written or existing business renewed from July 1 thru September 30, 2011). The rates proposed for this third quarter filing represent a 6.0% average rate increase from the corresponding rates on file for the second quarter. The following is a list of plans affected by this filing:

1. Policy Form Numbers and Names

Solution \$2500 PPO (Z270, 070R, 02FD, 06Z7)
 Solution \$3500 PPO (Z271, 070S, 02FE, 06Z8)
 Solution \$5000 PPO (Z272, 070T, 02FF, 06Z9)

2. Description of Benefits Provided

See Appendix for description of the benefits currently provided.
 The renewing groups will receive PPACA mandated benefits upon their renewals. See section 4.
 There are no other benefit changes effective July 1, 2011.

3. Filed Rate Changes

The rate change effective July 1, 2011 will be an average rate increase of 6.0% from the previously filed rates.

The average rate increase by product is as follows:

Product	Dec-2010 Members	Eff 7/1/2011 Average Rate Change from Previously Filed Rate	Effective Date of Previously Filed Rate	* Expected Annual Rate Change to Be Experienced at Renewal
Solution 2500	47,092	7.0%	April 1, 2011	21.6%
Solution 3500	22,756	5.0%	April 1, 2011	19.0%
Solution 5000	10,568	3.0%	April 1, 2011	16.3%
Solution Total	80,416	6.0%		20.3%

* Note: The increases include the effects of the additional PPACA benefits.

The approximately 17,500 members renewing between July 1 and September 30, 2011 will receive the July 2011 rate change on their anniversaries when they occur between July and September in combination with the April 2011, January 2011, and October 2010 rate changes. Therefore, the average rate increase that Solution members renewing in the third quarter can expect to receive will be 20.3% (based on the December 2010 census) as shown in the above chart. The benefit coverage for these renewing groups will include PPACA mandated benefits for the 1st time since their last anniversary in 2010.

Written notice of the change in premium rates will be provided at least 60 days in advance of the effective date of the premium rate change for a particular renewing group.

4. Effects of Health Care Reform

This filing affects Grandfathered and Non-Grandfathered policies:

- Policies sold before 3/23/2010 and that did not change plans on or after 3/23/2010 are considered Grandfathered (GF) policies.
- Policies that were sold or changed plans on or after 3/23/2010 are considered Non-Grandfathered (NGF) policies.

We incorporated into our claim projection the estimated cost of the following effects of Federal Healthcare Reform:

- GF and NGF Policies
 - a) Prohibition of lifetime dollar limits. We removed the \$5 million lifetime benefit limit.
 - b) Expansion of dependent age coverage up to age 26. We increased the qualified dependents to age 26 regardless of student status.
 - c) Removal of member cost share on preventive health services.
 - d) Essential health benefit changes, which are the combined effects of the removal of annual limit on durable medical equipment (DME) as well as smoking cessation, and the removal of the per visit limit on outpatient professional services as well as the removal of the per day benefit limit on facility-based care related to non-severe mental health and substance abuse coverage.

See table below for expected impact on claims.

- e) Prohibition of pre-existing exclusions for children. Claims impact considered to be negligible for the purpose of this filing.

Both GF and NGF will receive the PPACA-mandated benefits. Therefore, the proposed rates for GF and NGF policies will be identical.

Product	Total Impact
Solution 2500	3.7%
Solution 3500	4.4%
Solution 5000	5.3%
Solution Total	4.0%

5. Premium Rate Structure

Premium rates vary by attained age of the subscriber, contract type, region, and group specific risk adjustment factor (RAF). The contract types are Single, Subscriber and Spouse, Subscriber and Child(ren), Subscriber and Family.

At renewal, a group's risk adjustment factor (RAF) can be adjusted upward by no more than ten points (e.g., from 1.00 to 1.10) in a given year. However, a group's RAF must be no greater than 1.10 and no less than 0.90.

There is a 12-month rate guarantee at initial sale for all plans.

While Anthem maintains the contractual right to vary rates more frequently than annually beyond the initial 12-month rate guarantee period, subscribers will generally receive rate changes on their assigned renewal month.

The assumed percentage membership distribution of renewal months is:

Month	Solution 2500	Solution 3500	Solution 5000	Solution Total
July	8.4%	7.7%	7.9%	8.1%
August	6.9%	6.6%	5.5%	6.6%
September	7.6%	6.8%	6.9%	7.3%
October	8.6%	9.1%	8.8%	8.8%
November	6.9%	9.4%	8.8%	7.9%
December	8.1%	10.0%	9.5%	8.8%
January	11.2%	9.6%	8.7%	10.4%
February	7.6%	7.4%	6.6%	7.4%
March	7.5%	6.8%	9.7%	7.6%
April	11.7%	13.1%	13.3%	12.3%
May	7.8%	7.1%	6.9%	7.5%
June	7.7%	6.4%	7.6%	7.3%

This renewal month distribution assumes that each subscriber's renewal dates will occur on their anniversary date. (Note: Each percentage in the chart has been rounded to the nearest 0.1%, so not all columns will add up to exactly 100%.)

6. Projected Trend

Below are the trends used in pricing without any further adjustments other than for benefit plan changes.

The projected annual trend for the Solution plans in aggregate is 16.7%, ranging between 16.5% and 17.4% and varying by deductible.

7. Certification

I, Janet Chiu, am an actuary for Anthem Blue Cross Life and Health Insurance Company and a member of the American Academy of Actuaries. I meet the qualification standards of the American Academy of Actuaries for rate filings of health plans. I have prepared this actuarial memorandum to be consistent with Actuarial Standard of Practice Number 8 as adopted by the Actuarial Standards Board. I certify that, to the best of my knowledge, this filing is in compliance with the laws and regulations of the State of California with regard to development of premium rates.

Janet Chiu, F.S.A., M.A.A.A.
RVP & Actuary I
Anthem Blue Cross Life and Health Insurance Company
March 31, 2011

A handwritten signature in black ink, appearing to read "Janet", followed by a long horizontal line.

Appendix - Description of Benefits Provided

Below are the benefits currently provided. See section 4 above for anticipated changes to these benefits.

Solution PPO

Comprehensive major medical benefits are provided for inpatient and outpatient hospital and physician services. The deductible, coinsurance, and out-of-pocket maximum are listed in the table below.

Plan Description	Deductible	In-Network/Out-of-Network Coinsurance	In-Network / Out-of-Network Out-of-Pocket Maximum (including deductible)	Prescription Rx
Solution PPO \$2500	\$2500, 2 member max	75% / 50% of negotiated fee	\$5000, 2 member max / \$10000 Stop Loss	See Below
Solution PPO \$3500	\$3500, 2 member max	65% / 50% of negotiated fee	\$5000, 2 member max / \$10000 Stop Loss	See Below
Solution PPO \$5000	\$5000, 2 member max	60% / 50% of negotiated fee	\$7500, 2 member max / \$10000 Stop Loss	See Below

Note1: Coinsurance shown is the percent paid by ABCL&H

Note2: Once Anthem Blue Cross payments reach \$10,000 per insured, the insured pays nothing for covered expenses for the remainder of the year.

The member pays a \$10 copay per generic prescription.

For brand name drugs on the formulary, Solution \$2500 members pay a \$25 copay after a \$250 deductible if a generic equivalent is not available.

For brand name drugs on the formulary, Solution \$3500 and Solution \$5000 members pay a \$35 copay after a \$250 deductible if a generic equivalent is not available.

For brand name drugs that are not on the formulary, Solution members (regardless of their specific medical deductible) pay a \$50 copay after a \$250 deductible if a generic equivalent is not available.

For self-administered injectible drugs except insulin, the member pays 30% of the Negotiated Fee up to a maximum of \$100.

**California Plain-Language
Rate Filing Description**
[for Web site posting, Health & Safety
Code 1385.07(d), Insurance Code 10181.7(d)]

Company Name:

Anthem Blue Cross Life and Health Insurance Company

SERFF Tracking Number

Department File Number: (will be completed by Department)

1. Justification for any unreasonable rate increases.

(Include all information as to why the rate increase is justified. Attach supporting documentation to this PDF file)

N/A

2) Overall annual medical trend factor assumptions for all benefits

16.7%

3) Actual Costs by Aggregate Benefit Category

Hospital Inpatient,	Dollar Cost: \$69.00
	Cost as Percentage of Medicare: N/A
Hospital Outpatient (including ER)	Dollar Cost: \$31.65
	Cost as Percentage of Medicare: N/A
Physician/other professional services	Dollar Cost: \$34.95
	Cost as Percentage of Medicare: N/A
Prescription Drug	Dollar Cost: \$39.27
	Cost as Percentage of Average Wholesale Price: N/A
Laboratory (other than inpatient)	Dollar Cost: \$14.60 (Other Ancillary Services, Laboratory and Radiology)
	Cost as Percentage of Medicare: N/A
Radiology (other than inpatient)	Dollar Cost: (See above: Laboratory, Radiology and Other Ancillary Services are combined)
	Cost as Percentage of Medicare: N/A

Other (describe)	Dollar Cost and Description: (See above: Laboratory, Radiology and Other Ancillary Services are combined)
------------------	--

4) Amount of Projected Trend, by Aggregate Benefit Category, Attributable to Use of Services, Price Inflation, Fees and Risk

Hospital Inpatient	Trend attributable to use of services: 7.6%
	Trend attributable to price inflation: 13.1%
	Trend attributable to fees and risk: n/a
Hospital Outpatient (including ER)	Trend attributable to use of services: 8.1%
	Trend attributable to price inflation: 8.9%
	Trend attributable to fees and risk: n/a
Physician/other professional services	Trend attributable to use of services: 8.1%
	Trend attributable to price inflation: 4.0%
	Trend attributable to fees and risk: n/a
Prescription Drug	Trend attributable to use of services: 8.4%

	Trend attributable to price inflation: 9.9%
	Trend attributable to fees and risk: n/a
Laboratory (other than inpatient)	Trend attributable to use of services: 7.8%
	Trend attributable to price inflation: 5.3%
	Trend attributable to fees and risk: n/a
Radiology (other than inpatient)	Trend attributable to use of services: (See above: Laboratory, Radiology and Other Ancillary Services are combined)
	Trend attributable to price inflation: (See above: Laboratory, Radiology and Other Ancillary Services are combined)
	Trend attributable to fees and risk: n/a
Other (describe)	(See above: Laboratory, Radiology and Other Ancillary Services are combined)

5) Other Information

A large, empty rectangular box with a thin black border, intended for providing additional information or details related to the section header.

#630302v1

California Rate Filing Form
For Individual and Small Group Health Insurance
Rate Filings, Version 1

1) Company Name:

Anthem Blue Cross Life and Health Insurance Company

2) Number of policy forms covered by the filing: 12

3) Policy form numbers covered by the filing:

Z270 02FD Z271 02FE Z272 02FF 06Z7 070R 06Z8 070S 06Z9 070T
--

4) Product types covered by the filing. Selected from the following:

<input type="radio"/>	HMO (Health Maintenance Organization)
<input checked="" type="radio"/>	PPO (Preferred Provider Organization)
<input type="radio"/>	EPO (Exclusive Provider Organization)
<input type="radio"/>	POS (Point of Service)
<input type="radio"/>	FFS (Fee for Service)
<input type="radio"/>	Other (describe) _____

5) Segment type. One of the following:

<input type="radio"/>	Large Group
<input checked="" type="radio"/>	Small Group (2-50 employees)
<input type="radio"/>	Individual

Note: Large Group, Small Group, and Individual filings should not be combined within a single filing.

8) Enrollment:

Number of lives, including dependents, as of the end of the latest month for which the data has been compiled, covered by each product (identified by all marketing names used for each policy form covered by the filing).

(For new products, the number of lives shown should be "0".)

This table reflects data as of the end of (month/year): <u>12/2010</u>		
Policy Form Number	Marketing Name	Enrollment
Z270	Solution 2500 PPO	40,231
02FD	Solution 2500 PPO	491
Z271	Solution 3500 PPO	18,611
02FE	Solution 3500 PPO	75
Z272	Solution 5000 PPO	9,018
02FF	Solution 5000 PPO	1
06Z7	Solution 2500 PPO	6,242
070R	Solution 2500 PPO	128
06Z8	Solution 3500 PPO	4,031
070S	Solution 3500 PPO	39
06Z9	Solution 5000 PPO	1,545
070T	Solution 5000 PPO	4
Total		80,416

(If additional space is needed, see question 26. Check this box if additional space is used. ☐)

9) Insured months in each policy form

Number of insured (or member) months for the experience period on which the rates were based. (Does not apply to rates for new products.)

This table reflects data as of the end of (month/year): <u>12/2010</u>	
Policy Form Number	Number of Insured Months
Z270	73,702
02FD	503
Z271	33,711
02FE	187
Z272	15,882
02FF	4
06Z7	53
070R	0
06Z8	28
070S	0
06Z9	11
070T	0
Total	124,081

(If additional space is needed, see question 26. Check this box if additional space is used. ☐)

10) Annual Rate

For each product included in the filing, show the current and proposed annual premium rates for all rating cells.

[illegible]

(If additional space is needed, see question 26. Check this box if additional space is used. ☐)

- 11) Total earned premium in each policy form for the experience period on which the rates are based. (Does not apply to rates for new products.)

Policy form number	Total earned premium
Z270	\$18,973,739
02FD	\$108,717
Z271	\$8,241,132
02FE	\$40,680
Z272	\$3,709,429
02FF	\$1,975
06Z7	\$17,513
070R	\$0
06Z8	\$8,436
070S	\$0
06Z9	\$3,375
070T	\$0
Total	\$31,104,997

(If additional space is needed, see question 26. Check this box if additional space is used. ☐)

- 12) Total dollar amount of incurred claims in each policy form for the experience period on which the rates are based. (Does not apply to rates for new products.)

If helpful to understanding the basis for the filed rate increases, the insurer may, but is not required to, disaggregate incurred claim data into the aggregate benefit categories listed in item 18 below. If you choose to disaggregate, please do so on a separate page attached to the PDF of this filing form, identifying this question number.

Policy form number	Total incurred claims
Z270	\$13,856,801
02FD	\$35,191
Z271	\$6,355,147
02FE	\$31,935
Z272	\$2,785,732
02FF	\$11
06Z7	\$7,787
070R	\$0
06Z8	\$815
070S	\$0
06Z9	\$944
070T	\$0
Total	\$23,074,364

(If additional space is needed, see question 26. Check this box if additional space is used. ☐)

13) Average rate increase initially requested

The weighted average of the proposed rate increases included in the filing, weighting the increases by the number of covered lives for each product (per item 8, above). Rates for new products are not included in this calculation, as they have a weight of zero. (Does not apply to rates for new products.)

Policy Form Number	Marketing Name	Weighted Average
Z270	Solution 2500 PPO	7.0%
02FD	Solution 2500 PPO	7.0%
Z271	Solution 3500 PPO	5.0%
02FE	Solution 3500 PPO	5.0%
Z272	Solution 5000 PPO	3.0%
02FF	Solution 5000 PPO	3.0%
06Z7	Solution 2500 PPO	7.0%
070R	Solution 2500 PPO	7.0%
06Z8	Solution 3500 PPO	5.0%
070S	Solution 3500 PPO	5.0%
06Z9	Solution 5000 PPO	3.0%
070T	Solution 5000 PPO	3.0%
Total		5.9%

(If additional space is needed, see question 26. Check this box if additional space is used. ☐)

14) Review category: One of the following:

<input type="radio"/>	Initial Filing for New Product
<input checked="" type="radio"/>	Filing for Existing Product
<input type="radio"/>	Resubmission

Resubmissions should be submitted through SERFF under the same state filing number and SERFF tracking number assigned to the original submission of this filing. Do not submit resubmissions as a new filing.

15) Average rate of increase

In those instances in which there is a revision to the rates requested after initial submission, the revision should be submitted as an amendment to the original submission of this filing under the rate/rule form tab. Also, in the case of a resubmission, update the information under the "company rate information" field under the "Rate/Rule Schedule" tab in SERFF. The average rate of increase is a weighted average, calculated as in item 13, above. (Does not apply to rates for new products.)

Policy Form Number	Marketing Name	Weighted Average
Not a revision		

(If additional space is needed, see question 26. Check this box if additional space is used. ☐)

16) Effective date of rate increase: 7/1/2011

The earliest anticipated date that the proposed rate increase, or new product rate, will take effect for a policyholder. (Does not apply to rates for new products.)

17) Number of policyholders or insureds affected by each policy form

Same as item 8, above. (Does not apply to rates for new products.)

18) Overall medical trend factor and trend factors by aggregate benefit category:

Overall Medical Trend Factor

“Overall” means the weighted average of trend factors used to determine rate increases included in the filing, weighting the factor for each aggregate benefit category by the amount of projected medical costs attributable to that category.

16.7%

Medical Trend Factor by Aggregate Benefit Category

The aggregate benefit categories are each of the following – hospital inpatient, hospital outpatient (including emergency room), physician and other professional services, prescription drugs from pharmacies, laboratory services (other than hospital inpatient), radiology services (other than hospital inpatient), other (describe).

Hospital Inpatient	20.6%
Hospital Outpatient (including ER)	17.0%
Physician/other professional services	12.2%
Prescription Drug	18.4%
Laboratory (other than inpatient)	13.2%
Radiology (other than inpatient)	(Laboratory, Radiology,
Other (describe)	and other ancillary combined)

Optional Medical Trend Factor by Aggregate Benefit Category by Geographic Region

The insurer may, but is not required to, aggregate additional data in major geographic regions of the state. If the insurer chooses to so aggregate, the major geographic regions of the state are: Northern California (consisting of Monterey, Kings, Tulare, and Inyo counties, and all counties to the north), and Southern California (consisting of San Luis Obispo, Kern, and San Bernardino counties, and all counties to the south).

	North	South
Hospital Inpatient		
Hospital Outpatient (including ER)		
Physician/other professional services		
Prescription Drug		
Laboratory (other than inpatient)		
Radiology (other than inpatient)		
Other (describe)		

19) Projected medical trend

Use the same aggregate benefit categories used in item 18 –hospital inpatient, hospital outpatient (including emergency room), physician and other professional services, prescription drugs from pharmacies, laboratory services (other than hospital inpatient), radiology services (other than Hospital inpatient), other (describe). Furthermore, within each aggregate category quantify the sources of trend, i.e. actual-to-expected claim costs over the prior rating period, utilization of medical services, cost of medical services, plan design, risk factors, demographic factors, and administrative and other non-claim expenses.

Projected Medical Trend by Aggregate Benefit Category

Hospital Inpatient	7.6% (utilization), 13.1% (inflation)
Hospital Outpatient (including ER)	8.1% (utilization), 8.9% (inflation)
Physician/other professional services	8.1% (utilization), 4.0% (inflation)
Prescription Drug	8.4% (utilization), 9.9% (inflation)
Laboratory (other than inpatient)	7.8% (utilization), 5.3% (inflation)
Radiology (other than inpatient)	(Laboratory, Radiology,
Other (describe)	and other ancillary combined)

20) Comparison of claims cost and rate of changes over time

For each proposed rate increase, provide the projected annualized incurred claims cost per insured for the period covered by the proposed rate, the historical incurred claims cost per insured for the most recent 12 months of the experience period on which the rates were based, and, if available, the historical incurred claims cost per insured for the next two most recent 12 month periods. Also, compare the rate of change of claims costs over all of the projected and historical periods for which information is provided. Show all claim costs according to aggregate benefit category. (Does not apply to rates for new products.)

Relevant Period	Total Solution
Experience [11/09 - 10/10]	\$187.47
Rating [12-month Period starting 7/11 to 9/11]	\$242.30
<hr/>	
Rate of Change (Annualized)	16.7%
Note: the annualized trend is based on the following assumption	
# of Trending Months	19.94

21) Describe any changes in enrollee/insured cost-sharing, compared to the prior year, associated with the submitted rate filing, and quantify the impact of each change on each of the rates included in the filing. (Does not apply to rates for new products.)

There is no enrollee/insured cost-sharing changes outside of HCR Mandates.

22) Describe any changes in enrollee/insured benefits, compared to the prior year, associated with the submitted rate filing, and quantify the impact of each change on each of the rates included in the filing. (Does not apply to rates for new products.)

Changes due to HCR Mandates:

- i. Removal of \$5 million lifetime benefit limit.
 - ii. Expansion of dependent age coverage up to age 26.
 - iii. Removal of member cost share on preventive health services.
 - iv. Removal of annual limits on essential health benefits.
- Solution Total Impact - 4.0%

- | | |
|---|-----------|
| | Submitted |
|---|-----------|

- Administrative costs are the costs defined in Sections 158.150, 158.151, 158.160, and 158.161 of 45 Code of Federal Regulations Subtitle A, Subchapter B, in the interim final rule issued by the Department of Health and Human Services on December 1, 2010 at 75 Federal Register 74924-74926. Changes in administrative costs should be compared to the prior year, associated with the submitted rate filing, and changes should be shown separately for the costs defined by each of the sections of Code of Federal Regulations listed above in this item. (Does not apply to rates for new products.)

Period	PMPM
CY 2009	\$40.20
CY 2010	\$43.38
CY 2011 Projection	\$47.54

- | Case No. | Case Name | Case Type | Case Status | Case Date | Case Time | Case Location | Case Description | Case Notes | Case Comments |
|----------|-------------------|-----------|-------------|------------|-----------|---------------|---------------------|---------------|------------------|
| 1 | John Doe | Case 1 | Open | 2023-01-01 | 10:00 | New York | Case 1 Description | Case 1 Notes | Case 1 Comments |
| 2 | Jane Smith | Case 2 | Closed | 2023-01-02 | 11:00 | Los Angeles | Case 2 Description | Case 2 Notes | Case 2 Comments |
| 3 | Bob Johnson | Case 3 | Pending | 2023-01-03 | 12:00 | Chicago | Case 3 Description | Case 3 Notes | Case 3 Comments |
| 4 | Alice Brown | Case 4 | Open | 2023-01-04 | 13:00 | San Francisco | Case 4 Description | Case 4 Notes | Case 4 Comments |
| 5 | Charlie Davis | Case 5 | Closed | 2023-01-05 | 14:00 | Seattle | Case 5 Description | Case 5 Notes | Case 5 Comments |
| 6 | Diana Prince | Case 6 | Pending | 2023-01-06 | 15:00 | Portland | Case 6 Description | Case 6 Notes | Case 6 Comments |
| 7 | Ethan Hunt | Case 7 | Open | 2023-01-07 | 16:00 | San Diego | Case 7 Description | Case 7 Notes | Case 7 Comments |
| 8 | Fiona Glenanne | Case 8 | Closed | 2023-01-08 | 17:00 | San Jose | Case 8 Description | Case 8 Notes | Case 8 Comments |
| 9 | Greg Kinnear | Case 9 | Pending | 2023-01-09 | 18:00 | San Jose | Case 9 Description | Case 9 Notes | Case 9 Comments |
| 10 | Hannah Montana | Case 10 | Open | 2023-01-10 | 19:00 | San Jose | Case 10 Description | Case 10 Notes | Case 10 Comments |
| 11 | Ian Somerhalder | Case 11 | Closed | 2023-01-11 | 20:00 | San Jose | Case 11 Description | Case 11 Notes | Case 11 Comments |
| 12 | Jessie James | Case 12 | Pending | 2023-01-12 | 21:00 | San Jose | Case 12 Description | Case 12 Notes | Case 12 Comments |
| 13 | Kate Winslet | Case 13 | Open | 2023-01-13 | 22:00 | San Jose | Case 13 Description | Case 13 Notes | Case 13 Comments |
| 14 | Liam Neeson | Case 14 | Closed | 2023-01-14 | 23:00 | San Jose | Case 14 Description | Case 14 Notes | Case 14 Comments |
| 15 | Mel Gibson | Case 15 | Pending | 2023-01-15 | 00:00 | San Jose | Case 15 Description | Case 15 Notes | Case 15 Comments |
| 16 | Nicole Kidman | Case 16 | Open | 2023-01-16 | 01:00 | San Jose | Case 16 Description | Case 16 Notes | Case 16 Comments |
| 17 | Orlando Bloom | Case 17 | Closed | 2023-01-17 | 02:00 | San Jose | Case 17 Description | Case 17 Notes | Case 17 Comments |
| 18 | Peter Dinklage | Case 18 | Pending | 2023-01-18 | 03:00 | San Jose | Case 18 Description | Case 18 Notes | Case 18 Comments |
| 19 | Quentin Tarantino | Case 19 | Open | 2023-01-19 | 04:00 | San Jose | Case 19 Description | Case 19 Notes | Case 19 Comments |
| 20 | Rachel Watson | Case 20 | Closed | 2023-01-20 | 05:00 | San Jose | Case 20 Description | Case 20 Notes | Case 20 Comments |
| 21 | Samuel L. Jackson | Case 21 | Pending | 2023-01-21 | 06:00 | San Jose | Case 21 Description | Case 21 Notes | Case 21 Comments |
| 22 | Tina Turner | Case 22 | Open | 2023-01-22 | 07:00 | San Jose | Case 22 Description | Case 22 Notes | Case 22 Comments |
| 23 | Uma Thurman | Case 23 | Closed | 2023-01-23 | 08:00 | San Jose | Case 23 Description | Case 23 Notes | Case 23 Comments |
| 24 | Viola Davis | Case 24 | Pending | 2023-01-24 | 09:00 | San Jose | Case 24 Description | Case 24 Notes | Case 24 Comments |
| 25 | Wesley Snipes | Case 25 | Open | 2023-01-25 | 10:00 | San Jose | Case 25 Description | Case 25 Notes | Case 25 Comments |
| 26 | Xosha Roquemore | Case 26 | Closed | 2023-01-26 | 11:00 | San Jose | Case 26 Description | Case 26 Notes | Case 26 Comments |
| 27 | Yasmine Bleeth | Case 27 | Pending | 2023-01-27 | 12:00 | San Jose | Case 27 Description | Case 27 Notes | Case 27 Comments |
| 28 | Zoe Lister-Jones | Case 28 | Open | 2023-01-28 | 13:00 | San Jose | Case 28 Description | Case 28 Notes | Case 28 Comments |
| 29 | Adam Carolla | Case 29 | Closed | 2023-01-29 | 14:00 | San Jose | Case 29 Description | Case 29 Notes | Case 29 Comments |
| 30 | Brian Koppelman | Case 30 | Pending | 2023-01-30 | 15:00 | San Jose | Case 30 Description | Case 30 Notes | Case 30 Comments |
| 31 | Chris Rock | Case 31 | Open | 2023-01-31 | 16:00 | San Jose | Case 31 Description | Case 31 Notes | Case 31 Comments |
| 32 | Dave Karger | Case 32 | Closed | 2023-02-01 | 17:00 | San Jose | Case 32 Description | Case 32 Notes | Case 32 Comments |
| 33 | Eddie Murphy | Case 33 | Pending | 2023-02-02 | 18:00 | San Jose | Case 33 Description | Case 33 Notes | Case 33 Comments |
| 34 | Fred Armisen | Case 34 | Open | 2023-02-03 | 19:00 | San Jose | Case 34 Description | Case 34 Notes | Case 34 Comments |
| 35 | Garry Shandling | Case 35 | Closed | 2023-02-04 | 20:00 | San Jose | Case 35 Description | Case 35 Notes | Case 35 Comments |
| 36 | Hank Ketchum | Case 36 | Pending | 2023-02-05 | 21:00 | San Jose | Case 36 Description | Case 36 Notes | Case 36 Comments |
| 37 | Ian Somerhalder | Case 37 | Open | 2023-02-06 | 22:00 | San Jose | Case 37 Description | Case 37 Notes | Case 37 Comments |
| 38 | Jessie James | Case 38 | Closed | 2023-02-07 | 23:00 | San Jose | Case 38 Description | Case 38 Notes | Case 38 Comments |
| 39 | Kate Winslet | Case 39 | Pending | 2023-02-08 | 00:00 | San Jose | Case 39 Description | Case 39 Notes | Case 39 Comments |
| 40 | Liam Neeson | Case 40 | Open | 2023-02-09 | 01:00 | San Jose | Case 40 Description | Case 40 Notes | Case 40 Comments |
| 41 | Mel Gibson | Case 41 | Closed | 2023-02-10 | 02:00 | San Jose | Case 41 Description | Case 41 Notes | Case 41 Comments |
| 42 | Nicole Kidman | Case 42 | Pending | 2023-02-11 | 03:00 | San Jose | Case 42 Description | Case 42 Notes | Case 42 Comments |

26) Blank form if additional spaces needed.

If additional space is needed to respond to a question, use the form below. Note the question number, and insert column headings as appropriate. If further space is needed, use PDF generating software to copy this page and insert the copy at the end of this document.

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Attachment "0710sgrt_rafs 1.0.xls" is not a PDF document and cannot be reproduced here.

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/10
SOLUTION 2500 PPO (Z270)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$237	\$195	\$164	\$179	\$195	\$159	\$147	\$156	\$151
	30 - 39	318	256	217	239	263	216	195	209	203
	40 - 49	462	375	312	344	382	310	285	303	294
	50 - 54	553	449	379	414	457	370	342	364	350
	55 - 59	707	569	481	530	584	475	434	464	451
	60 - 64	884	713	599	665	732	591	546	581	562
	65 + PRIMARY	1,149	929	782	862	952	771	713	753	733
	65 + SECONDARY	655	529	443	493	540	438	405	429	417
EMPLOYEE AND SPOUSE	UNDER 30	\$489	\$396	\$333	\$368	\$406	\$330	\$303	\$320	\$312
	30 - 39	656	532	444	494	542	440	409	433	418
	40 - 49	944	765	642	710	783	634	583	619	601
	50 - 54	1,149	929	782	862	952	771	713	753	733
	55 - 59	1,460	1,181	994	1,100	1,208	980	903	956	931
	60 - 64	1,783	1,440	1,216	1,340	1,474	1,197	1,104	1,169	1,137
	65 + PRIMARY	2,197	1,774	1,495	1,651	1,817	1,471	1,359	1,438	1,397
	65 + SECONDARY	1,306	1,055	891	984	1,085	878	808	855	833
EMPLOYEE AND CHILD(REN)	UNDER 30	\$429	\$349	\$295	\$324	\$359	\$287	\$269	\$283	\$274
	30 - 39	553	447	379	414	457	370	342	364	349
	40 - 49	723	581	492	542	596	483	444	472	457
	50 - 54	792	641	538	597	655	530	488	520	503
	55 - 59	906	731	615	681	748	607	559	593	576
	60 - 64	1,053	850	717	793	871	707	650	691	672
	65 + PRIMARY	1,323	1,069	900	995	1,094	888	819	866	840
	65 + SECONDARY	907	734	619	683	751	608	564	596	578
FAMILY	UNDER 30	\$671	\$543	\$455	\$503	\$554	\$448	\$415	\$440	\$428
	30 - 39	895	721	607	669	737	599	551	585	569
	40 - 49	1,145	927	781	859	949	768	708	749	731
	50 - 54	1,198	969	815	901	991	804	741	785	765
	55 - 59	1,520	1,228	1,033	1,143	1,258	1,017	938	995	968
	60 - 64	1,794	1,449	1,219	1,347	1,484	1,204	1,112	1,175	1,143
	65 + PRIMARY	2,271	1,835	1,544	1,708	1,879	1,523	1,407	1,490	1,446
	65 + SECONDARY	1,338	1,080	911	1,007	1,108	900	830	877	851

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/10
SOLUTION 3500 PPO (Z271)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$204	\$162	\$138	\$155	\$171	\$135	\$127	\$135	\$129
	30 - 39	275	223	187	207	227	184	171	181	175
	40 - 49	397	319	271	300	330	267	246	262	255
	50 - 54	477	389	326	361	396	320	297	313	307
	55 - 59	611	491	415	460	505	407	379	400	388
	60 - 64	764	616	520	575	630	513	472	500	488
	65 + PRIMARY	992	804	676	745	823	667	615	649	631
	65 + SECONDARY	566	456	384	426	468	380	348	370	360
EMPLOYEE AND SPOUSE	UNDER 30	\$422	\$343	\$289	\$318	\$352	\$283	\$263	\$278	\$271
	30 - 39	568	459	386	427	470	381	353	372	363
	40 - 49	816	660	554	613	677	546	505	535	521
	50 - 54	992	804	676	745	823	667	615	649	631
	55 - 59	1,262	1,020	856	947	1,043	846	781	827	803
	60 - 64	1,543	1,247	1,049	1,158	1,275	1,033	954	1,010	982
	65 + PRIMARY	1,897	1,534	1,290	1,427	1,569	1,270	1,174	1,244	1,209
	65 + SECONDARY	1,128	912	770	846	933	757	700	740	720
EMPLOYEE AND CHILD(REN)	UNDER 30	\$370	\$303	\$253	\$281	\$310	\$248	\$230	\$243	\$238
	30 - 39	477	385	326	360	393	319	297	313	305
	40 - 49	622	503	422	468	514	416	386	407	396
	50 - 54	686	553	467	516	567	461	423	446	434
	55 - 59	780	633	531	587	648	523	483	512	500
	60 - 64	910	734	620	685	752	609	565	597	580
	65 + PRIMARY	1,145	924	778	859	945	766	709	747	728
	65 + SECONDARY	781	634	534	589	649	526	486	515	501
FAMILY	UNDER 30	\$577	\$469	\$394	\$437	\$479	\$388	\$358	\$381	\$369
	30 - 39	772	623	526	580	638	519	478	506	491
	40 - 49	991	799	675	744	820	664	613	648	630
	50 - 54	1,035	839	704	779	858	694	641	679	659
	55 - 59	1,311	1,060	894	986	1,085	881	813	860	837
	60 - 64	1,549	1,251	1,054	1,164	1,283	1,038	959	1,016	985
	65 + PRIMARY	1,962	1,584	1,334	1,477	1,623	1,315	1,214	1,287	1,247
	65 + SECONDARY	1,156	933	788	870	957	776	716	758	734

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/10
SOLUTION 5000 PPO (Z272)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$180	\$145	\$123	\$138	\$150	\$120	\$110	\$119	\$114
	30 - 39	244	196	167	182	202	164	150	161	155
	40 - 49	352	283	239	266	294	236	219	230	225
	50 - 54	423	344	288	319	351	283	263	276	271
	55 - 59	543	436	367	407	446	362	336	355	342
	60 - 64	677	545	460	508	561	453	418	442	431
	65 + PRIMARY	878	712	599	660	727	591	543	577	561
	65 + SECONDARY	502	403	339	376	414	335	310	326	319
EMPLOYEE AND SPOUSE	UNDER 30	\$374	\$301	\$258	\$280	\$312	\$250	\$232	\$245	\$236
	30 - 39	504	405	341	377	416	337	313	327	320
	40 - 49	723	586	491	542	599	484	446	474	462
	50 - 54	878	712	599	660	727	591	543	577	561
	55 - 59	1,119	904	759	840	924	750	691	732	712
	60 - 64	1,365	1,103	930	1,025	1,129	914	844	893	869
	65 + PRIMARY	1,679	1,360	1,141	1,265	1,389	1,125	1,038	1,102	1,069
	65 + SECONDARY	999	808	683	751	828	670	619	655	637
EMPLOYEE AND CHILD(REN)	UNDER 30	\$328	\$268	\$225	\$248	\$273	\$221	\$205	\$216	\$212
	30 - 39	423	341	288	319	348	281	263	276	270
	40 - 49	552	444	375	415	455	370	341	363	351
	50 - 54	608	490	413	459	501	408	375	395	385
	55 - 59	692	560	472	520	574	464	428	453	441
	60 - 64	806	649	548	606	668	539	499	529	514
	65 + PRIMARY	1,013	818	688	759	836	679	628	663	645
	65 + SECONDARY	692	561	475	522	575	467	430	455	443
FAMILY	UNDER 30	\$511	\$415	\$349	\$387	\$424	\$342	\$316	\$336	\$326
	30 - 39	683	552	467	514	566	461	422	447	434
	40 - 49	876	707	596	659	726	588	541	577	559
	50 - 54	918	743	624	689	758	615	568	601	585
	55 - 59	1,162	940	791	873	960	780	720	760	741
	60 - 64	1,372	1,110	934	1,030	1,134	921	848	900	872
	65 + PRIMARY	1,739	1,403	1,183	1,307	1,436	1,165	1,074	1,137	1,106
	65 + SECONDARY	1,024	828	697	769	846	687	634	672	650

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/10
SOLUTION 2500 PPO MHP (02FD)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$237	\$195	\$164	\$179	\$195	\$159	\$147	\$156	\$151
	30 - 39	318	256	217	239	263	216	195	209	203
	40 - 49	462	375	312	344	382	310	285	303	294
	50 - 54	553	449	379	414	457	370	342	364	350
	55 - 59	707	569	481	530	584	475	434	464	451
	60 - 64	884	713	599	665	732	591	546	581	562
	65 + PRIMARY	1,149	929	782	862	952	771	713	753	733
	65 + SECONDARY	655	529	443	493	540	438	405	429	417
EMPLOYEE AND SPOUSE	UNDER 30	\$489	\$396	\$333	\$368	\$406	\$330	\$303	\$320	\$312
	30 - 39	656	532	444	494	542	440	409	433	418
	40 - 49	944	765	642	710	783	634	583	619	601
	50 - 54	1,149	929	782	862	952	771	713	753	733
	55 - 59	1,460	1,181	994	1,100	1,208	980	903	956	931
	60 - 64	1,783	1,440	1,216	1,340	1,474	1,197	1,104	1,169	1,137
	65 + PRIMARY	2,197	1,774	1,495	1,651	1,817	1,471	1,359	1,438	1,397
	65 + SECONDARY	1,306	1,055	891	984	1,085	878	808	855	833
EMPLOYEE AND CHILD(REN)	UNDER 30	\$429	\$349	\$295	\$324	\$359	\$287	\$269	\$283	\$274
	30 - 39	553	447	379	414	457	370	342	364	349
	40 - 49	723	581	492	542	596	483	444	472	457
	50 - 54	792	641	538	597	655	530	488	520	503
	55 - 59	906	731	615	681	748	607	559	593	576
	60 - 64	1,053	850	717	793	871	707	650	691	672
	65 + PRIMARY	1,323	1,069	900	995	1,094	888	819	866	840
	65 + SECONDARY	907	734	619	683	751	608	564	596	578
FAMILY	UNDER 30	\$671	\$543	\$455	\$503	\$554	\$448	\$415	\$440	\$428
	30 - 39	895	721	607	669	737	599	551	585	569
	40 - 49	1,145	927	781	859	949	768	708	749	731
	50 - 54	1,198	969	815	901	991	804	741	785	765
	55 - 59	1,520	1,228	1,033	1,143	1,258	1,017	938	995	968
	60 - 64	1,794	1,449	1,219	1,347	1,484	1,204	1,112	1,175	1,143
	65 + PRIMARY	2,271	1,835	1,544	1,708	1,879	1,523	1,407	1,490	1,446
	65 + SECONDARY	1,338	1,080	911	1,007	1,108	900	830	877	851

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/10
SOLUTION 3500 PPO MHP (02FE)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$204	\$162	\$138	\$155	\$171	\$135	\$127	\$135	\$129
	30 - 39	275	223	187	207	227	184	171	181	175
	40 - 49	397	319	271	300	330	267	246	262	255
	50 - 54	477	389	326	361	396	320	297	313	307
	55 - 59	611	491	415	460	505	407	379	400	388
	60 - 64	764	616	520	575	630	513	472	500	488
	65 + PRIMARY	992	804	676	745	823	667	615	649	631
	65 + SECONDARY	566	456	384	426	468	380	348	370	360
EMPLOYEE AND SPOUSE	UNDER 30	\$422	\$343	\$289	\$318	\$352	\$283	\$263	\$278	\$271
	30 - 39	568	459	386	427	470	381	353	372	363
	40 - 49	816	660	554	613	677	546	505	535	521
	50 - 54	992	804	676	745	823	667	615	649	631
	55 - 59	1,262	1,020	856	947	1,043	846	781	827	803
	60 - 64	1,543	1,247	1,049	1,158	1,275	1,033	954	1,010	982
	65 + PRIMARY	1,897	1,534	1,290	1,427	1,569	1,270	1,174	1,244	1,209
	65 + SECONDARY	1,128	912	770	846	933	757	700	740	720
EMPLOYEE AND CHILD(REN)	UNDER 30	\$370	\$303	\$253	\$281	\$310	\$248	\$230	\$243	\$238
	30 - 39	477	385	326	360	393	319	297	313	305
	40 - 49	622	503	422	468	514	416	386	407	396
	50 - 54	686	553	467	516	567	461	423	446	434
	55 - 59	780	633	531	587	648	523	483	512	500
	60 - 64	910	734	620	685	752	609	565	597	580
	65 + PRIMARY	1,145	924	778	859	945	766	709	747	728
	65 + SECONDARY	781	634	534	589	649	526	486	515	501
FAMILY	UNDER 30	\$577	\$469	\$394	\$437	\$479	\$388	\$358	\$381	\$369
	30 - 39	772	623	526	580	638	519	478	506	491
	40 - 49	991	799	675	744	820	664	613	648	630
	50 - 54	1,035	839	704	779	858	694	641	679	659
	55 - 59	1,311	1,060	894	986	1,085	881	813	860	837
	60 - 64	1,549	1,251	1,054	1,164	1,283	1,038	959	1,016	985
	65 + PRIMARY	1,962	1,584	1,334	1,477	1,623	1,315	1,214	1,287	1,247
	65 + SECONDARY	1,156	933	788	870	957	776	716	758	734

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/10
SOLUTION 5000 PPO MHP (02FF)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$180	\$145	\$123	\$138	\$150	\$120	\$110	\$119	\$114
	30 - 39	244	196	167	182	202	164	150	161	155
	40 - 49	352	283	239	266	294	236	219	230	225
	50 - 54	423	344	288	319	351	283	263	276	271
	55 - 59	543	436	367	407	446	362	336	355	342
	60 - 64	677	545	460	508	561	453	418	442	431
	65 + PRIMARY	878	712	599	660	727	591	543	577	561
	65 + SECONDARY	502	403	339	376	414	335	310	326	319
EMPLOYEE AND SPOUSE	UNDER 30	\$374	\$301	\$258	\$280	\$312	\$250	\$232	\$245	\$236
	30 - 39	504	405	341	377	416	337	313	327	320
	40 - 49	723	586	491	542	599	484	446	474	462
	50 - 54	878	712	599	660	727	591	543	577	561
	55 - 59	1,119	904	759	840	924	750	691	732	712
	60 - 64	1,365	1,103	930	1,025	1,129	914	844	893	869
	65 + PRIMARY	1,679	1,360	1,141	1,265	1,389	1,125	1,038	1,102	1,069
	65 + SECONDARY	999	808	683	751	828	670	619	655	637
EMPLOYEE AND CHILD(REN)	UNDER 30	\$328	\$268	\$225	\$248	\$273	\$221	\$205	\$216	\$212
	30 - 39	423	341	288	319	348	281	263	276	270
	40 - 49	552	444	375	415	455	370	341	363	351
	50 - 54	608	490	413	459	501	408	375	395	385
	55 - 59	692	560	472	520	574	464	428	453	441
	60 - 64	806	649	548	606	668	539	499	529	514
	65 + PRIMARY	1,013	818	688	759	836	679	628	663	645
	65 + SECONDARY	692	561	475	522	575	467	430	455	443
FAMILY	UNDER 30	\$511	\$415	\$349	\$387	\$424	\$342	\$316	\$336	\$326
	30 - 39	683	552	467	514	566	461	422	447	434
	40 - 49	876	707	596	659	726	588	541	577	559
	50 - 54	918	743	624	689	758	615	568	601	585
	55 - 59	1,162	940	791	873	960	780	720	760	741
	60 - 64	1,372	1,110	934	1,030	1,134	921	848	900	872
	65 + PRIMARY	1,739	1,403	1,183	1,307	1,436	1,165	1,074	1,137	1,106
	65 + SECONDARY	1,024	828	697	769	846	687	634	672	650

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

Attachment "0711sgrt_rafs 1.0.xls" is not a PDF document and cannot be reproduced here.

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 2500 PPO (Z270)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$295	\$233	\$197	\$214	\$233	\$192	\$177	\$186	\$180
	30 - 39	395	307	259	285	316	260	233	249	243
	40 - 49	575	449	375	411	457	375	342	361	350
	50 - 54	689	537	454	493	548	447	410	434	417
	55 - 59	881	683	577	631	700	574	520	554	538
	60 - 64	1,101	855	719	793	877	714	655	692	670
	65 + PRIMARY	1,430	1,113	937	1,027	1,141	931	855	898	874
	65 + SECONDARY	814	633	531	589	647	530	485	511	498
EMPLOYEE AND SPOUSE	UNDER 30	\$608	\$475	\$399	\$440	\$486	\$399	\$362	\$381	\$372
	30 - 39	816	637	532	590	651	532	489	516	499
	40 - 49	1,174	916	769	846	938	766	699	737	717
	50 - 54	1,430	1,113	937	1,027	1,141	931	855	898	874
	55 - 59	1,816	1,416	1,191	1,311	1,448	1,183	1,082	1,140	1,110
	60 - 64	2,218	1,727	1,457	1,596	1,767	1,446	1,324	1,393	1,356
	65 + PRIMARY	2,733	2,125	1,792	1,969	2,177	1,777	1,629	1,715	1,666
	65 + SECONDARY	1,625	1,264	1,068	1,173	1,300	1,059	968	1,019	993
EMPLOYEE AND CHILD(REN)	UNDER 30	\$560	\$438	\$371	\$404	\$450	\$363	\$338	\$354	\$342
	30 - 39	706	549	467	507	562	458	421	446	428
	40 - 49	947	733	621	679	752	613	561	594	574
	50 - 54	1,038	810	678	750	827	673	615	654	631
	55 - 59	1,188	922	777	855	945	771	705	746	723
	60 - 64	1,380	1,072	905	995	1,100	899	820	868	844
	65 + PRIMARY	1,733	1,350	1,135	1,249	1,381	1,130	1,035	1,087	1,054
	65 + SECONDARY	1,189	927	782	857	948	773	710	749	725
FAMILY	UNDER 30	\$862	\$672	\$563	\$620	\$686	\$560	\$513	\$541	\$528
	30 - 39	1,118	867	731	800	886	727	663	700	682
	40 - 49	1,480	1,152	972	1,064	1,180	963	881	927	905
	50 - 54	1,548	1,205	1,014	1,115	1,233	1,008	922	973	947
	55 - 59	1,963	1,528	1,286	1,415	1,564	1,275	1,167	1,232	1,198
	60 - 64	2,318	1,803	1,516	1,667	1,847	1,510	1,384	1,454	1,415
	65 + PRIMARY	2,934	2,283	1,922	2,114	2,338	1,909	1,749	1,845	1,790
	65 + SECONDARY	1,729	1,343	1,133	1,247	1,379	1,130	1,034	1,085	1,053

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 3500 PPO (Z271)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$249	\$190	\$162	\$181	\$201	\$160	\$149	\$158	\$150
	30 - 39	335	261	218	242	267	216	201	211	205
	40 - 49	484	375	317	349	386	315	288	306	298
	50 - 54	581	457	382	421	465	377	349	365	359
	55 - 59	744	576	487	536	592	480	444	466	453
	60 - 64	930	722	611	671	740	605	553	583	569
	65 + PRIMARY	1,209	944	794	868	965	786	721	756	736
	65 + SECONDARY	689	536	449	497	549	447	408	432	420
EMPLOYEE AND SPOUSE	UNDER 30	\$515	\$403	\$339	\$371	\$413	\$334	\$309	\$324	\$315
	30 - 39	691	539	454	498	551	448	414	434	424
	40 - 49	994	775	650	714	795	645	592	623	608
	50 - 54	1,209	944	794	868	965	786	721	756	736
	55 - 59	1,539	1,197	1,005	1,105	1,223	998	918	964	936
	60 - 64	1,881	1,464	1,232	1,349	1,496	1,219	1,119	1,177	1,145
	65 + PRIMARY	2,311	1,801	1,514	1,663	1,841	1,498	1,377	1,450	1,409
	65 + SECONDARY	1,374	1,069	904	986	1,094	894	821	863	839
EMPLOYEE AND CHILD(REN)	UNDER 30	\$473	\$372	\$311	\$343	\$381	\$307	\$282	\$297	\$290
	30 - 39	596	464	393	431	474	386	358	374	365
	40 - 49	799	622	522	573	635	518	477	500	486
	50 - 54	880	684	578	633	701	572	523	547	532
	55 - 59	1,001	782	656	720	801	650	596	628	614
	60 - 64	1,169	907	767	840	929	756	697	733	712
	65 + PRIMARY	1,469	1,141	962	1,054	1,169	951	876	918	894
	65 + SECONDARY	1,002	783	660	722	802	653	601	631	615
FAMILY	UNDER 30	\$727	\$568	\$478	\$526	\$582	\$473	\$434	\$459	\$443
	30 - 39	944	735	620	679	752	615	564	592	575
	40 - 49	1,253	973	822	900	999	813	747	783	762
	50 - 54	1,309	1,022	858	942	1,046	849	781	821	798
	55 - 59	1,659	1,293	1,089	1,192	1,322	1,078	991	1,042	1,013
	60 - 64	1,960	1,525	1,284	1,408	1,563	1,272	1,170	1,231	1,191
	65 + PRIMARY	2,482	1,930	1,624	1,787	1,978	1,611	1,479	1,557	1,509
	65 + SECONDARY	1,462	1,137	961	1,053	1,167	950	873	918	888

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 5000 PPO (Z272)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$213	\$166	\$141	\$158	\$173	\$138	\$127	\$136	\$130
	30 - 39	290	226	192	208	233	188	173	184	177
	40 - 49	418	325	274	304	338	271	252	264	258
	50 - 54	502	396	332	365	403	325	302	316	309
	55 - 59	644	501	422	465	512	416	387	405	391
	60 - 64	803	627	528	581	644	521	480	506	492
	65 + PRIMARY	1,041	819	689	755	835	679	625	660	641
	65 + SECONDARY	597	464	390	430	476	386	356	372	365
EMPLOYEE AND SPOUSE	UNDER 30	\$445	\$345	\$297	\$321	\$359	\$287	\$267	\$279	\$270
	30 - 39	599	466	392	431	478	388	361	373	366
	40 - 49	858	673	564	620	689	556	512	542	528
	50 - 54	1,041	819	689	755	835	679	625	660	641
	55 - 59	1,329	1,038	872	961	1,062	862	794	836	815
	60 - 64	1,620	1,268	1,068	1,171	1,298	1,052	970	1,022	994
	65 + PRIMARY	1,993	1,563	1,311	1,446	1,595	1,293	1,193	1,260	1,223
	65 + SECONDARY	1,187	928	786	859	952	769	711	750	728
EMPLOYEE AND CHILD(REN)	UNDER 30	\$408	\$322	\$271	\$298	\$329	\$267	\$246	\$260	\$253
	30 - 39	516	403	340	375	410	332	310	324	317
	40 - 49	690	538	453	500	550	448	414	437	422
	50 - 54	761	592	500	552	607	493	453	476	464
	55 - 59	865	678	572	627	695	561	518	546	530
	60 - 64	1,007	785	663	730	809	652	605	637	619
	65 + PRIMARY	1,267	991	832	915	1,011	822	760	798	776
	65 + SECONDARY	865	679	575	629	696	565	520	548	534
FAMILY	UNDER 30	\$626	\$492	\$415	\$456	\$504	\$405	\$375	\$397	\$385
	30 - 39	815	638	539	589	653	531	487	514	499
	40 - 49	1,079	844	711	783	866	701	645	684	663
	50 - 54	1,132	887	745	818	904	733	678	713	694
	55 - 59	1,433	1,122	943	1,036	1,146	931	858	902	880
	60 - 64	1,692	1,324	1,114	1,222	1,352	1,099	1,011	1,069	1,035
	65 + PRIMARY	2,143	1,674	1,411	1,551	1,713	1,391	1,280	1,349	1,313
	65 + SECONDARY	1,262	988	831	914	1,009	820	756	797	770

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 2500 PPO (06Z7)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$295	\$233	\$197	\$214	\$233	\$192	\$177	\$186	\$180
	30 - 39	395	307	259	285	316	260	233	249	243
	40 - 49	575	449	375	411	457	375	342	361	350
	50 - 54	689	537	454	493	548	447	410	434	417
	55 - 59	881	683	577	631	700	574	520	554	538
	60 - 64	1,101	855	719	793	877	714	655	692	670
	65 + PRIMARY	1,430	1,113	937	1,027	1,141	931	855	898	874
	65 + SECONDARY	814	633	531	589	647	530	485	511	498
EMPLOYEE AND SPOUSE	UNDER 30	\$608	\$475	\$399	\$440	\$486	\$399	\$362	\$381	\$372
	30 - 39	816	637	532	590	651	532	489	516	499
	40 - 49	1,174	916	769	846	938	766	699	737	717
	50 - 54	1,430	1,113	937	1,027	1,141	931	855	898	874
	55 - 59	1,816	1,416	1,191	1,311	1,448	1,183	1,082	1,140	1,110
	60 - 64	2,218	1,727	1,457	1,596	1,767	1,446	1,324	1,393	1,356
	65 + PRIMARY	2,733	2,125	1,792	1,969	2,177	1,777	1,629	1,715	1,666
	65 + SECONDARY	1,625	1,264	1,068	1,173	1,300	1,059	968	1,019	993
EMPLOYEE AND CHILD(REN)	UNDER 30	\$560	\$438	\$371	\$404	\$450	\$363	\$338	\$354	\$342
	30 - 39	706	549	467	507	562	458	421	446	428
	40 - 49	947	733	621	679	752	613	561	594	574
	50 - 54	1,038	810	678	750	827	673	615	654	631
	55 - 59	1,188	922	777	855	945	771	705	746	723
	60 - 64	1,380	1,072	905	995	1,100	899	820	868	844
	65 + PRIMARY	1,733	1,350	1,135	1,249	1,381	1,130	1,035	1,087	1,054
	65 + SECONDARY	1,189	927	782	857	948	773	710	749	725
FAMILY	UNDER 30	\$862	\$672	\$563	\$620	\$686	\$560	\$513	\$541	\$528
	30 - 39	1,118	867	731	800	886	727	663	700	682
	40 - 49	1,480	1,152	972	1,064	1,180	963	881	927	905
	50 - 54	1,548	1,205	1,014	1,115	1,233	1,008	922	973	947
	55 - 59	1,963	1,528	1,286	1,415	1,564	1,275	1,167	1,232	1,198
	60 - 64	2,318	1,803	1,516	1,667	1,847	1,510	1,384	1,454	1,415
	65 + PRIMARY	2,934	2,283	1,922	2,114	2,338	1,909	1,749	1,845	1,790
	65 + SECONDARY	1,729	1,343	1,133	1,247	1,379	1,130	1,034	1,085	1,053

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 3500 PPO (06Z8)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$249	\$190	\$162	\$181	\$201	\$160	\$149	\$158	\$150
	30 - 39	335	261	218	242	267	216	201	211	205
	40 - 49	484	375	317	349	386	315	288	306	298
	50 - 54	581	457	382	421	465	377	349	365	359
	55 - 59	744	576	487	536	592	480	444	466	453
	60 - 64	930	722	611	671	740	605	553	583	569
	65 + PRIMARY	1,209	944	794	868	965	786	721	756	736
	65 + SECONDARY	689	536	449	497	549	447	408	432	420
EMPLOYEE AND SPOUSE	UNDER 30	\$515	\$403	\$339	\$371	\$413	\$334	\$309	\$324	\$315
	30 - 39	691	539	454	498	551	448	414	434	424
	40 - 49	994	775	650	714	795	645	592	623	608
	50 - 54	1,209	944	794	868	965	786	721	756	736
	55 - 59	1,539	1,197	1,005	1,105	1,223	998	918	964	936
	60 - 64	1,881	1,464	1,232	1,349	1,496	1,219	1,119	1,177	1,145
	65 + PRIMARY	2,311	1,801	1,514	1,663	1,841	1,498	1,377	1,450	1,409
	65 + SECONDARY	1,374	1,069	904	986	1,094	894	821	863	839
EMPLOYEE AND CHILD(REN)	UNDER 30	\$473	\$372	\$311	\$343	\$381	\$307	\$282	\$297	\$290
	30 - 39	596	464	393	431	474	386	358	374	365
	40 - 49	799	622	522	573	635	518	477	500	486
	50 - 54	880	684	578	633	701	572	523	547	532
	55 - 59	1,001	782	656	720	801	650	596	628	614
	60 - 64	1,169	907	767	840	929	756	697	733	712
	65 + PRIMARY	1,469	1,141	962	1,054	1,169	951	876	918	894
	65 + SECONDARY	1,002	783	660	722	802	653	601	631	615
FAMILY	UNDER 30	\$727	\$568	\$478	\$526	\$582	\$473	\$434	\$459	\$443
	30 - 39	944	735	620	679	752	615	564	592	575
	40 - 49	1,253	973	822	900	999	813	747	783	762
	50 - 54	1,309	1,022	858	942	1,046	849	781	821	798
	55 - 59	1,659	1,293	1,089	1,192	1,322	1,078	991	1,042	1,013
	60 - 64	1,960	1,525	1,284	1,408	1,563	1,272	1,170	1,231	1,191
	65 + PRIMARY	2,482	1,930	1,624	1,787	1,978	1,611	1,479	1,557	1,509
	65 + SECONDARY	1,462	1,137	961	1,053	1,167	950	873	918	888

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 5000 PPO (06Z9)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$213	\$166	\$141	\$158	\$173	\$138	\$127	\$136	\$130
	30 - 39	290	226	192	208	233	188	173	184	177
	40 - 49	418	325	274	304	338	271	252	264	258
	50 - 54	502	396	332	365	403	325	302	316	309
	55 - 59	644	501	422	465	512	416	387	405	391
	60 - 64	803	627	528	581	644	521	480	506	492
	65 + PRIMARY	1,041	819	689	755	835	679	625	660	641
	65 + SECONDARY	597	464	390	430	476	386	356	372	365
EMPLOYEE AND SPOUSE	UNDER 30	\$445	\$345	\$297	\$321	\$359	\$287	\$267	\$279	\$270
	30 - 39	599	466	392	431	478	388	361	373	366
	40 - 49	858	673	564	620	689	556	512	542	528
	50 - 54	1,041	819	689	755	835	679	625	660	641
	55 - 59	1,329	1,038	872	961	1,062	862	794	836	815
	60 - 64	1,620	1,268	1,068	1,171	1,298	1,052	970	1,022	994
	65 + PRIMARY	1,993	1,563	1,311	1,446	1,595	1,293	1,193	1,260	1,223
	65 + SECONDARY	1,187	928	786	859	952	769	711	750	728
EMPLOYEE AND CHILD(REN)	UNDER 30	\$408	\$322	\$271	\$298	\$329	\$267	\$246	\$260	\$253
	30 - 39	516	403	340	375	410	332	310	324	317
	40 - 49	690	538	453	500	550	448	414	437	422
	50 - 54	761	592	500	552	607	493	453	476	464
	55 - 59	865	678	572	627	695	561	518	546	530
	60 - 64	1,007	785	663	730	809	652	605	637	619
	65 + PRIMARY	1,267	991	832	915	1,011	822	760	798	776
	65 + SECONDARY	865	679	575	629	696	565	520	548	534
FAMILY	UNDER 30	\$626	\$492	\$415	\$456	\$504	\$405	\$375	\$397	\$385
	30 - 39	815	638	539	589	653	531	487	514	499
	40 - 49	1,079	844	711	783	866	701	645	684	663
	50 - 54	1,132	887	745	818	904	733	678	713	694
	55 - 59	1,433	1,122	943	1,036	1,146	931	858	902	880
	60 - 64	1,692	1,324	1,114	1,222	1,352	1,099	1,011	1,069	1,035
	65 + PRIMARY	2,143	1,674	1,411	1,551	1,713	1,391	1,280	1,349	1,313
	65 + SECONDARY	1,262	988	831	914	1,009	820	756	797	770

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 2500 PPO MHP (02FD)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$296	\$234	\$197	\$215	\$234	\$193	\$178	\$187	\$181
	30 - 39	398	308	260	286	317	261	234	250	244
	40 - 49	578	450	376	412	460	377	343	363	351
	50 - 54	691	539	456	496	550	448	411	435	418
	55 - 59	884	685	579	633	702	576	523	556	539
	60 - 64	1,104	857	721	796	881	717	657	696	673
	65 + PRIMARY	1,435	1,117	941	1,031	1,145	936	857	901	877
	65 + SECONDARY	819	636	533	591	651	532	487	514	500
EMPLOYEE AND SPOUSE	UNDER 30	\$611	\$476	\$401	\$441	\$488	\$401	\$365	\$383	\$373
	30 - 39	820	639	534	592	653	534	493	518	501
	40 - 49	1,179	920	773	850	942	768	701	740	719
	50 - 54	1,435	1,117	941	1,031	1,145	936	857	901	877
	55 - 59	1,823	1,420	1,195	1,317	1,453	1,189	1,086	1,144	1,114
	60 - 64	2,227	1,732	1,463	1,605	1,773	1,452	1,328	1,398	1,361
	65 + PRIMARY	2,743	2,134	1,799	1,976	2,186	1,784	1,635	1,721	1,672
	65 + SECONDARY	1,632	1,269	1,072	1,178	1,305	1,066	973	1,023	997
EMPLOYEE AND CHILD(REN)	UNDER 30	\$561	\$440	\$372	\$407	\$453	\$365	\$339	\$355	\$343
	30 - 39	709	551	468	508	564	461	422	447	430
	40 - 49	951	736	624	684	754	616	563	596	576
	50 - 54	1,041	812	682	753	830	677	618	656	633
	55 - 59	1,193	926	779	858	948	776	707	748	727
	60 - 64	1,386	1,077	908	1,000	1,104	903	823	872	847
	65 + PRIMARY	1,741	1,355	1,140	1,255	1,386	1,134	1,038	1,092	1,058
	65 + SECONDARY	1,194	930	784	860	951	778	716	751	729
FAMILY	UNDER 30	\$866	\$674	\$565	\$622	\$688	\$561	\$515	\$544	\$530
	30 - 39	1,122	871	733	804	889	729	666	702	684
	40 - 49	1,484	1,158	976	1,068	1,184	967	884	930	908
	50 - 54	1,554	1,209	1,018	1,119	1,238	1,012	926	976	950
	55 - 59	1,971	1,533	1,290	1,421	1,571	1,280	1,172	1,236	1,203
	60 - 64	2,326	1,809	1,522	1,675	1,854	1,515	1,389	1,459	1,421
	65 + PRIMARY	2,945	2,291	1,928	2,123	2,347	1,917	1,758	1,852	1,798
	65 + SECONDARY	1,734	1,349	1,137	1,252	1,384	1,133	1,037	1,089	1,057

65 + PRIMARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS PRIMARY TO MEDICARE

65 + SECONDARY - ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY IS SECONDARY TO MEDICARE

*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES

RATES EFFECTIVE 7/01/11

SOLUTION 3500 PPO MHP (02FE)

1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$250	\$190	\$162	\$182	\$203	\$160	\$150	\$158	\$151
	30 - 39	336	263	221	243	268	217	203	212	206
	40 - 49	485	376	318	351	390	316	289	307	299
	50 - 54	584	459	384	423	466	378	350	366	360
	55 - 59	748	579	489	539	594	483	446	467	455
	60 - 64	935	726	613	673	742	608	557	585	571
	65 + PRIMARY	1,213	948	797	872	970	790	725	759	738
	65 + SECONDARY	692	538	454	498	551	449	410	433	422
EMPLOYEE AND SPOUSE	UNDER 30	\$517	\$404	\$340	\$372	\$415	\$335	\$310	\$327	\$316
	30 - 39	695	541	456	499	553	452	416	435	425
	40 - 49	999	777	652	717	798	647	594	626	610
	50 - 54	1,213	948	797	872	970	790	725	759	738
	55 - 59	1,545	1,202	1,008	1,108	1,230	1,002	921	968	940
	60 - 64	1,887	1,469	1,236	1,356	1,502	1,223	1,125	1,181	1,149
	65 + PRIMARY	2,322	1,807	1,520	1,670	1,849	1,504	1,384	1,455	1,415
	65 + SECONDARY	1,380	1,075	907	990	1,099	897	825	865	842
EMPLOYEE AND CHILD(REN)	UNDER 30	\$475	\$375	\$312	\$344	\$382	\$308	\$284	\$298	\$291
	30 - 39	599	466	395	433	476	387	359	376	366
	40 - 49	802	624	524	576	638	520	479	502	488
	50 - 54	883	687	580	635	705	575	525	549	534
	55 - 59	1,005	785	659	723	804	652	600	630	616
	60 - 64	1,173	911	770	843	932	759	701	736	715
	65 + PRIMARY	1,474	1,147	965	1,058	1,173	956	879	921	897
	65 + SECONDARY	1,006	786	663	726	805	655	603	634	617
FAMILY	UNDER 30	\$729	\$570	\$480	\$528	\$584	\$474	\$436	\$461	\$446
	30 - 39	948	737	622	681	754	617	566	594	578
	40 - 49	1,260	977	826	904	1,002	816	749	786	765
	50 - 54	1,314	1,027	861	946	1,049	853	783	825	801
	55 - 59	1,665	1,297	1,093	1,199	1,328	1,084	994	1,045	1,017
	60 - 64	1,967	1,530	1,289	1,414	1,570	1,276	1,174	1,235	1,196
	65 + PRIMARY	2,492	1,937	1,633	1,794	1,986	1,616	1,485	1,562	1,514
	65 + SECONDARY	1,468	1,141	964	1,056	1,171	954	876	921	891

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*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 5000 PPO MHP (02FF)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$214	\$167	\$142	\$158	\$174	\$139	\$127	\$138	\$130
	30 - 39	291	227	192	209	234	188	174	184	178
	40 - 49	419	327	275	305	339	272	252	265	260
	50 - 54	505	397	333	366	405	327	303	317	310
	55 - 59	648	504	423	468	514	418	388	408	392
	60 - 64	806	629	530	583	647	522	482	508	494
	65 + PRIMARY	1,046	821	691	757	839	682	627	662	644
	65 + SECONDARY	599	466	391	431	478	387	358	374	366
EMPLOYEE AND SPOUSE	UNDER 30	\$446	\$347	\$298	\$322	\$361	\$288	\$268	\$280	\$271
	30 - 39	602	468	393	433	480	389	362	376	367
	40 - 49	861	677	567	622	691	558	514	544	530
	50 - 54	1,046	821	691	757	839	682	627	662	644
	55 - 59	1,334	1,042	876	964	1,066	865	797	840	817
	60 - 64	1,626	1,272	1,073	1,176	1,302	1,055	973	1,025	997
	65 + PRIMARY	2,001	1,568	1,316	1,452	1,603	1,298	1,197	1,265	1,227
	65 + SECONDARY	1,191	932	788	862	955	773	714	752	731
EMPLOYEE AND CHILD(REN)	UNDER 30	\$409	\$324	\$272	\$299	\$330	\$267	\$247	\$261	\$254
	30 - 39	518	404	341	376	413	333	311	325	318
	40 - 49	693	540	455	502	552	450	415	439	424
	50 - 54	763	595	501	554	609	495	455	478	466
	55 - 59	867	680	574	629	698	564	520	548	534
	60 - 64	1,011	788	665	732	812	654	607	640	621
	65 + PRIMARY	1,272	994	836	918	1,016	825	762	800	781
	65 + SECONDARY	867	681	578	631	699	568	522	550	536
FAMILY	UNDER 30	\$630	\$494	\$416	\$458	\$506	\$407	\$376	\$398	\$387
	30 - 39	818	640	541	591	656	534	489	515	500
	40 - 49	1,085	847	713	786	870	705	648	688	666
	50 - 54	1,135	890	748	821	908	736	680	717	696
	55 - 59	1,438	1,126	947	1,040	1,151	935	862	905	884
	60 - 64	1,697	1,331	1,120	1,228	1,359	1,103	1,016	1,072	1,038
	65 + PRIMARY	2,153	1,680	1,417	1,557	1,719	1,396	1,286	1,353	1,317
	65 + SECONDARY	1,267	992	834	917	1,012	823	759	800	774

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*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 2500 PPO MHP (070R)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$296	\$234	\$197	\$215	\$234	\$193	\$178	\$187	\$181
	30 - 39	398	308	260	286	317	261	234	250	244
	40 - 49	578	450	376	412	460	377	343	363	351
	50 - 54	691	539	456	496	550	448	411	435	418
	55 - 59	884	685	579	633	702	576	523	556	539
	60 - 64	1,104	857	721	796	881	717	657	696	673
	65 + PRIMARY	1,435	1,117	941	1,031	1,145	936	857	901	877
	65 + SECONDARY	819	636	533	591	651	532	487	514	500
EMPLOYEE AND SPOUSE	UNDER 30	\$611	\$476	\$401	\$441	\$488	\$401	\$365	\$383	\$373
	30 - 39	820	639	534	592	653	534	493	518	501
	40 - 49	1,179	920	773	850	942	768	701	740	719
	50 - 54	1,435	1,117	941	1,031	1,145	936	857	901	877
	55 - 59	1,823	1,420	1,195	1,317	1,453	1,189	1,086	1,144	1,114
	60 - 64	2,227	1,732	1,463	1,605	1,773	1,452	1,328	1,398	1,361
	65 + PRIMARY	2,743	2,134	1,799	1,976	2,186	1,784	1,635	1,721	1,672
	65 + SECONDARY	1,632	1,269	1,072	1,178	1,305	1,066	973	1,023	997
EMPLOYEE AND CHILD(REN)	UNDER 30	\$561	\$440	\$372	\$407	\$453	\$365	\$339	\$355	\$343
	30 - 39	709	551	468	508	564	461	422	447	430
	40 - 49	951	736	624	684	754	616	563	596	576
	50 - 54	1,041	812	682	753	830	677	618	656	633
	55 - 59	1,193	926	779	858	948	776	707	748	727
	60 - 64	1,386	1,077	908	1,000	1,104	903	823	872	847
	65 + PRIMARY	1,741	1,355	1,140	1,255	1,386	1,134	1,038	1,092	1,058
	65 + SECONDARY	1,194	930	784	860	951	778	716	751	729
FAMILY	UNDER 30	\$866	\$674	\$565	\$622	\$688	\$561	\$515	\$544	\$530
	30 - 39	1,122	871	733	804	889	729	666	702	684
	40 - 49	1,484	1,158	976	1,068	1,184	967	884	930	908
	50 - 54	1,554	1,209	1,018	1,119	1,238	1,012	926	976	950
	55 - 59	1,971	1,533	1,290	1,421	1,571	1,280	1,172	1,236	1,203
	60 - 64	2,326	1,809	1,522	1,675	1,854	1,515	1,389	1,459	1,421
	65 + PRIMARY	2,945	2,291	1,928	2,123	2,347	1,917	1,758	1,852	1,798
	65 + SECONDARY	1,734	1,349	1,137	1,252	1,384	1,133	1,037	1,089	1,057

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*Rates rounded to whole dollars

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES

RATES EFFECTIVE 7/01/11

SOLUTION 3500 PPO MHP (070S)

1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$250	\$190	\$162	\$182	\$203	\$160	\$150	\$158	\$151
	30 - 39	336	263	221	243	268	217	203	212	206
	40 - 49	485	376	318	351	390	316	289	307	299
	50 - 54	584	459	384	423	466	378	350	366	360
	55 - 59	748	579	489	539	594	483	446	467	455
	60 - 64	935	726	613	673	742	608	557	585	571
	65 + PRIMARY	1,213	948	797	872	970	790	725	759	738
	65 + SECONDARY	692	538	454	498	551	449	410	433	422
EMPLOYEE AND SPOUSE	UNDER 30	\$517	\$404	\$340	\$372	\$415	\$335	\$310	\$327	\$316
	30 - 39	695	541	456	499	553	452	416	435	425
	40 - 49	999	777	652	717	798	647	594	626	610
	50 - 54	1,213	948	797	872	970	790	725	759	738
	55 - 59	1,545	1,202	1,008	1,108	1,230	1,002	921	968	940
	60 - 64	1,887	1,469	1,236	1,356	1,502	1,223	1,125	1,181	1,149
	65 + PRIMARY	2,322	1,807	1,520	1,670	1,849	1,504	1,384	1,455	1,415
	65 + SECONDARY	1,380	1,075	907	990	1,099	897	825	865	842
EMPLOYEE AND CHILD(REN)	UNDER 30	\$475	\$375	\$312	\$344	\$382	\$308	\$284	\$298	\$291
	30 - 39	599	466	395	433	476	387	359	376	366
	40 - 49	802	624	524	576	638	520	479	502	488
	50 - 54	883	687	580	635	705	575	525	549	534
	55 - 59	1,005	785	659	723	804	652	600	630	616
	60 - 64	1,173	911	770	843	932	759	701	736	715
	65 + PRIMARY	1,474	1,147	965	1,058	1,173	956	879	921	897
	65 + SECONDARY	1,006	786	663	726	805	655	603	634	617
FAMILY	UNDER 30	\$729	\$570	\$480	\$528	\$584	\$474	\$436	\$461	\$446
	30 - 39	948	737	622	681	754	617	566	594	578
	40 - 49	1,260	977	826	904	1,002	816	749	786	765
	50 - 54	1,314	1,027	861	946	1,049	853	783	825	801
	55 - 59	1,665	1,297	1,093	1,199	1,328	1,084	994	1,045	1,017
	60 - 64	1,967	1,530	1,289	1,414	1,570	1,276	1,174	1,235	1,196
	65 + PRIMARY	2,492	1,937	1,633	1,794	1,986	1,616	1,485	1,562	1,514
	65 + SECONDARY	1,468	1,141	964	1,056	1,171	954	876	921	891

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ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY SMALL GROUP RATES
RATES EFFECTIVE 7/01/11
SOLUTION 5000 PPO MHP (070T)
1.00 RAF RATES*

	AGE RANGES	RATING AREA								
		1	2	3	4	5	6	7	8	9
EMPLOYEE	UNDER 30	\$214	\$167	\$142	\$158	\$174	\$139	\$127	\$138	\$130
	30 - 39	291	227	192	209	234	188	174	184	178
	40 - 49	419	327	275	305	339	272	252	265	260
	50 - 54	505	397	333	366	405	327	303	317	310
	55 - 59	648	504	423	468	514	418	388	408	392
	60 - 64	806	629	530	583	647	522	482	508	494
	65 + PRIMARY	1,046	821	691	757	839	682	627	662	644
	65 + SECONDARY	599	466	391	431	478	387	358	374	366
EMPLOYEE AND SPOUSE	UNDER 30	\$446	\$347	\$298	\$322	\$361	\$288	\$268	\$280	\$271
	30 - 39	602	468	393	433	480	389	362	376	367
	40 - 49	861	677	567	622	691	558	514	544	530
	50 - 54	1,046	821	691	757	839	682	627	662	644
	55 - 59	1,334	1,042	876	964	1,066	865	797	840	817
	60 - 64	1,626	1,272	1,073	1,176	1,302	1,055	973	1,025	997
	65 + PRIMARY	2,001	1,568	1,316	1,452	1,603	1,298	1,197	1,265	1,227
	65 + SECONDARY	1,191	932	788	862	955	773	714	752	731
EMPLOYEE AND CHILD(REN)	UNDER 30	\$409	\$324	\$272	\$299	\$330	\$267	\$247	\$261	\$254
	30 - 39	518	404	341	376	413	333	311	325	318
	40 - 49	693	540	455	502	552	450	415	439	424
	50 - 54	763	595	501	554	609	495	455	478	466
	55 - 59	867	680	574	629	698	564	520	548	534
	60 - 64	1,011	788	665	732	812	654	607	640	621
	65 + PRIMARY	1,272	994	836	918	1,016	825	762	800	781
	65 + SECONDARY	867	681	578	631	699	568	522	550	536
FAMILY	UNDER 30	\$630	\$494	\$416	\$458	\$506	\$407	\$376	\$398	\$387
	30 - 39	818	640	541	591	656	534	489	515	500
	40 - 49	1,085	847	713	786	870	705	648	688	666
	50 - 54	1,135	890	748	821	908	736	680	717	696
	55 - 59	1,438	1,126	947	1,040	1,151	935	862	905	884
	60 - 64	1,697	1,331	1,120	1,228	1,359	1,103	1,016	1,072	1,038
	65 + PRIMARY	2,153	1,680	1,417	1,557	1,719	1,396	1,286	1,353	1,317
	65 + SECONDARY	1,267	992	834	917	1,012	823	759	800	774

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